



Lancelin South Pty Ltd

2025 Operational Audit and Asset Management System Review Water Services Licence WL47

Report

**Economic Regulation Authority
June 2025**

TABLE OF CONTENTS

1. Independent Auditor's Report	4
2. Executive Summary	7
2.1 Background	7
2.2 Operational Audit.....	7
2.3 Asset Management System Review.....	7
3. Operational Audit	8
3.1 Introduction.....	8
3.2 Objectives and Scope	8
3.3 Audit Compliance and Controls Rating Scale	9
3.4 Summary of Audit Ratings of Controls and Compliance	9
3.5 Status of Previous Audit Recommendations	17
3.6 Detailed Audit Observations.....	18
3.7 Audit Recommendations	67
4. Asset Management System Review.....	69
4.1 Description of Infrastructure	69
4.2 Objectives and Scope	69
4.3 Asset Management Process and Performance Rating Scales	70
4.4 Summary of Asset Management System Performance Ratings	72
4.5 Status of Previous Review Recommendations	77
4.6 Detailed Review Observations	80
4.7 Review Recommendations.....	97
Appendix A - Methodology	99
A1. Audit and Review Approach	99
A2. Key Documents Reviewed	100
A3. Key Contacts	101
A4. Consultants.....	101

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Limitations of this Report

This report was prepared for distribution to the Economic Regulation Authority and Lancelin South Pty Ltd for the purpose of fulfilling Lancelin South's operational audit and 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 Lancelin South Pty 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. An audit is not designed to detect all instances of non-compliance with the procedures and controls over the licence obligations of the Water Services Licence, since we do not examine all evidence and every transaction. The audit and review conclusions expressed in this report have been formed on this basis.

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1. Independent Auditor's Report

Scope

Lancelin South Water Pty Ltd trading as Lancelin South Water has a Water Services Licence, issued by the Economic Regulation Authority ('ERA') under the *Water Services Act 2012* ('Act'), for the provision of potable water supply, non-potable water supply and sewerage services in the Lancelin South Water estate and the Lancelin South Water commercial site since 2017.

Lancelin South Water is required to comply with the terms and conditions of their license. There was one version of the Water License WL47 in operation over the audit period:

- Version 2 (From 1 May 2020 to date).

We have performed a reasonable assurance engagement on Lancelin South Water's compliance, in all material respects, with the conditions of WL47 and the *Water Services Act 2012* for the period from the previous audit from 1 April 2023 to 31 March 2025.

Our evaluation was made against the licence obligations listed in the Water Compliance Reporting Manual (October 2021 and July 2024) and in accordance with the ERA's 2019 Audit and Review Guidelines: Water Licences (updated August 2022).

The scope of this assurance work relates to assessing Lancelin South Water's systems and effectiveness of processes and regulatory controls to ensure compliance with the obligations, standards, outputs and outcomes required by the Licence issued under the Act.

Modified Opinion

In our opinion, based on the procedures performed as outlined in the Audit Plan approved by the Economic Regulation Authority and the evidence we have obtained, except for the effects of the matters described in the Basis for Modified Opinion paragraph below, Lancelin South Water has complied, in all material respects, with its licence conditions and relevant legislative obligations for the period 1 April 2023 to 31 March 2025.

Basis for Modified Opinion

During the period from 1 April 2023 to 31 March 2025, out of 208 applicable licence obligations, there was 1 non-compliance with minor impact on customers.

Reporting Manual number and Licence condition		Issue
<i>The following obligations were assessed as "Non-Compliant – Minor Impact".</i>		
154AA	<i>The licensee must ensure that the specified information about Part 9 may be obtained from its website. (from July 2024)</i>	<p>The auditor sighted the Preserved Supply Register and confirmed that it included the prescribed information. There were no customers recorded for Lancelin South Water.</p> <p>Part 9 of the Code of Conduct specifies the requirements for supply of water to persons with special requirements or needs. The GM, LSW confirmed there have been no requests from customers re preserved supply.</p> <p>However, there is no information on the website about how to apply to be included on the Preserved Supply Register.</p>

We conducted our engagement in accordance with Australian Standard on Assurance Engagements ASAE 3100 Compliance Engagements (ASAE 3100). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with ASAE 3100 we have:

- Used our professional judgement to plan our procedures and assess the risks that may cause material non-compliance with each of the compliance requirements to be concluded upon;
- Considered internal controls implemented to meet the compliance requirements; however, we do not express a conclusion on their effectiveness; and
- Ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures

Our procedures consisted primarily of:

- Utilising ERA's 2019 Audit and Review Guidelines: Water Licences ('the Guidelines') to develop a risk assessment;
- Developing an Audit and Review Plan and an associated work program, approved by the ERA on 17 April 2025;
- Interviewing relevant Lancelin South Water staff to gain an understanding of process controls;
- Onsite visit to the water treatment facilities in Lancelin South, 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 included our Principal Engineer.
- Assessing documents and performing walkthroughs of processes and controls to support the assessment of compliance and the effectiveness of the control environment in accordance with Licence obligations; and
- Performing procedures and testing based on the procedures listed in the approved Audit and Review Plan.

How We Define Reasonable Assurance and Material Non-Compliance

Reasonable assurance is a high level of assurance but is not a guarantee that it will always detect a material non-compliance with the compliance requirements.

Instances of non-compliance are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the intended users taken on the basis of the Licensee's compliance with the compliance requirements.

Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with the compliance requirements may occur and not be detected.

A reasonable assurance engagement throughout the specified period does not provide assurance on whether compliance with the compliance requirements will continue in the future.

Use of this Assurance Report

This report has been prepared for Lancelin South Water and the ERA for the purpose of assessing compliance with the requirements of the License and may not be suitable for another purpose.

We understand that a copy of this report will be provided to the ERA for the purpose of reporting on the reasonable assurance engagement for the Licensee. We agree that a copy of this report may be provided to the ERA in connection with this purpose, but only on the basis that we accept no duty, liability or responsibility to the ERA in relation to the report.

We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Licensee and the ERA, or for any other purpose other than that for which it was prepared.

Management's responsibility

Lancelin South Water's management are responsible for:

- The compliance activities undertaken to meet the requirements of the Licence;
- Identifying risks that threaten the compliance requirements identified above being met and identifying, designing and implementing controls to enable the compliance requirements to be met and, monitoring ongoing compliance;
- Ensuring that it has complied in all material respects with the requirements of the Licence;
- Establishing and maintaining an effective system of internal control over its systems designed to achieve its compliance with the Licence requirements;
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the ERA; and
- Implementing corrective actions for instances of non-compliance (if any).

Our responsibility

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

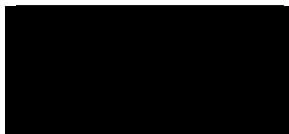
Our Independence and Quality Control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Australian Professional and Ethical Standards Board and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

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

This audit report is an accurate presentation of our findings and opinions.

Quantum Assurance



Geoff White CA
Director

23 July 2025

2. Executive Summary

2.1 Background

Lancelin South Pty Ltd trading as Lancelin South Water ('Lancelin South') has a Water Services Licence, issued by the Economic Regulation Authority ('ERA') under the *Water Services Act 2012* ('Act'), for the provision of potable water supply, non-potable water supply and sewerage services in the Lancelin South estate, located in the Shire of Gingin. There were 29 connected properties in April 2025.

This audit and review covers the period from the previous audit, being 1 April 2023 to 31 March 2025.

The audit and review approach is based on the compliance obligations set out in the Licence, applicable legislation, regulatory guidelines (Water Compliance Reporting Manual (October 2021 and July 2024) and in accordance with the ERA's 2019 Audit and Review Guidelines: Water Licences (updated August 2022).

2.2 Operational Audit

This audit has been conducted to assess the licensee's level of compliance with the conditions of its licence.

Through the execution of the Audit Plan and assessment and testing of the control environment, the information system, control procedures and compliance attitude, the audit team members have gained reasonable assurance that Lancelin South has fully complied with its Water Services Licence obligations during the audit period from 1 April 2023 to 31 March 2025 with 2 minor exceptions.

Out of 208 applicable compliance obligations, the audit found:

- 91 obligations were rated compliant (74 with adequate controls, 1 with generally adequate controls and 16 compliant with control not reviewed).
- 1 was rated non-compliant – minor impact (with inadequate controls – significant improvement required).
- 116 were not rated for compliance, as no relevant activity took place during the audit period (3 with adequate controls, 3 with inadequate controls and 110 where controls were not reviewed).

The audit confirmed that Lancelin South has complied with its information reporting obligations for the period 1 April 2023 to 31 March 2025. The control environment is considered to be effective to manage compliance with the licence conditions. There was one recommendation.

2.3 Asset Management System Review

This review has been conducted to assess the effectiveness of the Licensee's asset management system. Through the execution of the Review Plan and assessment and testing of the control environment, the information system, control procedures and compliance attitude, the audit team members have gained reasonable assurance that Lancelin South has operated the scheme in a reliable manner and provided a good level of service to the residents of Lancelin South.

The review found that Lancelin South has established an effective asset management system and an adequate control environment for ongoing compliance in respect of the asset management system.

For the review period from 1 April 2023 to 31 March 2025, the potable water, sewerage and drainage water supply system servicing the residential estate in Lancelin South, under Water Services Licence WL47 are considered to be operated with a professional and comprehensive approach.

Overall, the water supply scheme is assessed as being well constructed, well maintained and in good working order.

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

- 47 criteria were rated as performing effectively (46 with adequately defined processes and 1 with processes that require improvement);
- 9 were rated as opportunity for improvement (7 with adequately defined processes and 2 with processes that require some improvement); and
- 2 were rated as corrective action required (with processes that require some improvement).

There was one recommendation to review and update the asset risk assessment.

3. Operational Audit

3.1 Introduction

Lancelin South Pty Ltd trading as Lancelin South Water ('Lancelin South') is required to comply with the terms and conditions of their license. There was one version of the Water Services License WL47 in operation over the audit period:

- Version 2 (From 1 May 2020 to date).

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 Assurance') to complete an audit and review of Lancelin South's water supply services, to comply with the licensing requirements of the ERA.

This audit covers the period from the previous audit, being 1 April 2023 to 31 March 2025.

The audit and review approach is based on the compliance obligations set out in the Licence, applicable legislation, regulatory guidelines (Water Compliance Reporting Manual (October 2021 and July 2024) and in accordance with the ERA's 2019 Audit and Review Guidelines: Water Licences (updated August 2022).

3.2 Objectives and Scope

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

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

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

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

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

This was a reasonable assurance engagement.

The highest priority areas (priority 1, 2 or 3) based on inherent risk are:

- Cut off water supply to occupied dwelling (obligation 21).
- Preserved water supply register and restrictions on reduced supply (obligations 154B, 154CC, 154C and 154D).

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

3.3 Audit Compliance and Controls Rating Scale

The adequacy of controls and compliance with the legislative obligations was assessed using the following ratings.

Adequacy of Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
A	Adequate controls – no improvement needed	1	Compliant
B	Generally adequate controls – improvement needed	2	Non-compliant – minor impact on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate impact on customers or third parties
D	No controls evident	4	Non-compliant – major impact on customers or third parties
NP	Not performed – controls not assessed in the audit.	NR	Not rated – no activity in current period

3.4 Summary of Audit Ratings of Controls and Compliance

The current audit assessment of the ratings for the adequacy of controls and compliance with the 208 applicable legislative obligations is shown below in the summary table and detailed obligations table.

Summary of Audit Ratings of Control and Compliance

Controls rating	Compliance Rating						Total
	Rating	1 Compliant	2 Non-compliant (minor impact)	3 Non-compliant (moderate impact)	4 Non-compliant (major impact)	NR Not rated	
	A - Adequate	74	-	-	-	3	77
	B – Generally adequate	1	-	-	-	-	1
	C - Inadequate	-	1	-	-	3	4
	D – No controls	-	-	-	-	-	-
	NP – Not performed	16		-	-	110	126
	Total	91	1	-	-	116	208

Detailed Audit Ratings of Control and Compliance by Obligation

No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ² (A=Adequate, B=Generally adequate, C=Inadequate, D=No controls, NP=Not performed)					Compliance Rating (1=Compliant 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated)				
				A	B	C	D	NP	1	2	3	4	NR
Water Services Act 2012													
2	Terms of service	Sec. 21(1)(b)	4					✓					✓
3	Provision of services	Sec. 21(1) (c)	4					✓	✓				
4	Operating area	Sec. 22	4					✓					✓
5	Outsourcing of services	Sec. 23	4	✓					✓				
6	Asset management system	Sec. 24(1)(a) & 24(2)	4	✓					✓				
8	Asset management system review	Sec. 24(1)(c)	4	✓					✓				
8A	Asset Management System - Maintenance	Sec 24(2)	4	✓					✓				
9	Operational audit	Sec. 25	4	✓					✓				
10	Code of practice	Sec. 26(3)	4					✓					✓
13	Termination of service	Sec. 36	4					✓					✓
14	Supplier of last resort	Sec. 60	4					✓					✓
15	Ombudsman scheme	Sec. 70(2)	4					✓	✓				
16	Interruption of water supplies	Sec. 77(3)	4	✓					✓				
17	Notification of building works	Sec. 82(4) & (5)	4					✓	✓				
18	Ensuring water service works are done	Sec. 84(2)	4					✓					✓
19	Review of decisions	Sec. 87(2)	4					✓					✓
20	Construction near water service works	Sec. 90(7)	4					✓					✓
21	Cut off water supply	Sec. 95(3)	2					✓					✓
22	Fire hydrants for reticulation works	Sec. 96(1)	4					✓					✓
23	Requests from FESA or local government	Sec. 96(5)	4					✓					✓
28	Compliance notice issued by licensee re building works	Sec. 119(2)	4					✓					✓
29	Review of decisions	Sec. 122(2)	4					✓					✓
30	Apportionment of fees between properties	Sec. 125(2)	4					✓					✓
31	Lodging memorial to secure fees owing	Sec. 128(4)	4					✓					✓
32	Notice to property owner - entry	Sec. 129(5)	4					✓					✓

¹ The number refers to the Obligation reference in the Water Compliance Reporting Manual (July 2024) and previous version 2021 where applicable.

² Refer Controls and Compliance Rating Scales in Section 3.3.

No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ² (A=Adequate, B=Generally adequate, C=Inadequate, D=No controls, NP=Not performed)					Compliance Rating (1=Compliant, 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated)				
				A	B	C	D	NP	1	2	3	4	NR
33	Notice to property owner – removal of fence	Sec. 139(3)	4					✓					✓
34	Notice to roads authority	Sec. 141(1)	4					✓					✓
35 36 37 38 39	Proposal for major works	Sec. 142, 143(2) &(3), 144(3), 145(2)	4					✓					✓
40 41	Proposal for general works – Minister notices	Sec. 147(3) & (4)	4					✓					✓
42 43 44 45	Proposal for general works	Sec. 151(1) - (3), 153(3),	4					✓					✓
45A	Deviations from water service works plan	Sec. 160(1)	4										
46 47 48	Interest in land	Sec. 166(5) - (6), 170	4					✓					✓
49 50	Notice of entry to property and authority to enter	Sec. 173(4) & 174 (1)	4					✓					✓
51	Notice of entry after entry without notice	Sec. 174 (3)	4					✓					✓
52 53 54 55 56 57	Notice of entry to property and authority to enter	Sec. 175(2) & (5), 176(1), (3) & (4) 181	4					✓					✓
58 59 60 61	Warrant to enter property	Sec. 186, 187(1) - (3), 190(4) - (5)	4					✓					✓
62	Compliance Officer	Sec. 210(5)	4					✓					✓
63	Minimum disruption	Sec. 218(2)	4					✓					✓
64	Physical damage	Sec. 218(3)	4					✓					✓
Water Services Regulations 2013													
65	Meter testing – multi-unit	Reg. 23(2)	4					✓					✓
66	Meter testing - compliance	Reg. 24(4)	4					✓					✓
67	Meter access - compliance	Reg. 26(3)	4					✓					✓
68	Meter testing – tolerance	Reg. 26(5)	4					✓					✓

No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ² (A=Adequate, B=Generally adequate, C=Inadequate, D=No controls, NP=Not performed)					Compliance Rating (1=Compliant, 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated)				
				A	B	C	D	NP	1	2	3	4	NR
69	Lot development	Reg. 29(1)	4					✓					✓
70 71 72	Backflow prevention devices	Reg. 42(2), 43(3), 43(6).	4					✓					✓
74	Work affecting roads	Reg. 60(2)	4					✓					✓
75	Breaks to road surface	Reg. 63	4					✓					✓
89	Compliance notice issued by licensee to include consequences and rights	Reg. 85	4					✓					✓
Water Services Code of Conduct (Customer Service Standards) 2024													
92	Information for customers	Cl. 8(1)-(3)	4	✓					✓				
93	Service connections period	Cl. 9(2) & (4)	4	✓					✓				
94	Annual service charges	Cl. 10(2)	4	✓					✓				
95 96	Usage bills at least 4 monthly (6 Monthly in 2017)	Cl.11(2) & (3)	4	✓					✓				
97	Accurate meter reading not possible	Cl. 11(4)	4	✓					✓				
98	Estimated Bill of Usage	Cl. 11(5)	4	✓					✓				
98A	Estimated Bill at least every 12 months	Cl. 11(6)	4	✓					✓				
99	Address for billing	Cl. 12	4	✓					✓				
99A	Receive bills by post or email	Cl. 12(1)	4	✓					✓				
99B	Charge for sending a bill	Cl. 12(2)	4	✓									✓
99C	Email bill to customer's email address	Cl. 12(4)	4	✓					✓				
99D	No charge for post of bill	Cl. 12(5)	4	✓									✓
100	Billing information	Cl. 13(2)	4	✓					✓				
100A	Billing information – more than one service	Cl. 13(7)	4					✓	✓				
101	Billing information - usage	Cl. 13(3)	4					✓	✓				
101A	Billing information - estimate	Cl. 13(4)	4	✓					✓				
102A	Billing information – prescribed information	Cl. 13(5)	4					✓	✓				
103 104	Basic of billing estimate	Cl. 14(1) & (2)	4	✓					✓				
104A	Tariff information	Cl. 15(3)	4					✓					✓
105	Request for meter reading	Cl. 16(1)	4					✓					✓
106	Higher than normal charge	Cl. 17(2) & (3)	4	✓					✓				

No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ² (A=Adequate, B=Generally adequate, C=Inadequate, D=No controls, NP=Not performed)					Compliance Rating (1=Compliant, 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated)				
				A	B	C	D	NP	1	2	3	4	NR
107 108 109 110	Under and over charges	Cl. 18(2) - (5).	4					✓					✓
111A	Over charges - refunds	Cl. 19(2)	4					✓	✓				
112A 112B 112C	Over charges - refunds	Cl. 19(3)-(5)	4					✓	✓				
113	Review of bill upon request	Cl. 20(1)	4	✓					✓				
113A	Inform customer of outcome of bill review	Cl. 21(2)	4	✓					✓				
113B	Overdue notification of bill review	Cl. 21(3)	4	✓									✓
114	Review of bill procedure – written procedure	Cl. 22(1)	4	✓					✓				
115	Review of bill procedure – information	Cl. 23(2) & (4)	4	✓					✓				
116	Review of bill procedure – ombudsman	Cl. 22(3)	4	✓					✓				
117	Review of bill procedure – timeframe	Cl. 20(5)	4	✓					✓				
117A	Notification of change in water service charge	Cl. 20(1)	4					✓					✓
118	At least 14 days for payment	Cl. 24	4	✓					✓				
119	Payment methods - options	Cl. 25(1)	4	✓					✓				
120	Payment methods - fees	Cl. 25(2)	4					✓					✓
121	Payment methods- direct debit authority	Cl. 26	4	✓					✓				
122	Payment in advance	Cl. 27(1)	4					✓					✓
123	Redirection of bills	Cl. 28	4					✓					✓
123A	Payment difficulties	Cl. 29(1), (2)		✓					✓				
124A 124B 124C 124D 124E	Payment plan	Cl. 28(2), 30(1), 28(4), 30(4), 30(6)	4	✓					✓				
124F	Payment plan – business customer	Cl. 30(7)	4					✓					✓
124G 124H 124I 124J	Review of payment plan	Cl. 31(1) - (5)	4					✓					✓

No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ² (A=Adequate, B=Generally adequate, C=Inadequate, D=No controls, NP=Not performed)					Compliance Rating (1=Compliant, 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated)				
				A	B	C	D	NP	1	2	3	4	NR
125 126A 126B 127	Financial hardship policy	Cl. 32(1) - (5)	4	✓					✓				
128	Financial hardship policy - publicly available	Cl. 32(6)	4	✓					✓				
129A	Financial hardship policy – review	Cl. 29(7)	4					✓	✓				
129B	Financial hardship policy – review if directed	Cl. 32(7)	4					✓	✓				
129C	Financial hardship – payment variations	Cl. 32(8)	4					✓					✓
130A 130B 131A 131B 131C	Financial hardship – payment variations	Cl. 33(2) & (3), 33(4)(a)-(c)	4					✓					✓
133	Written information re payment assistance	Cl. 34 (4), (5)	4	✓					✓				
133A	No interest in some circumstances	Cl. 35	4					✓					✓
134	Debt recovery - complaint	Cl. 36(1)(a) – (c)	4					✓					✓
134A	Debt recovery – payment plan	Cl. 36(1)(d) – (e)	4					✓					✓
135 136	Restoring water supply	Cl. 43(1) & (2)	4					✓					✓
137A 137B 137C 138 138A 138B	Water supply restriction	Cl. 39(1)-(3), 40(1)(a)-(h), 37(1)(f)-(g) & 41	4					✓					✓
139	Rate of flow	Cl. 42	4					✓					✓
142	Restoring water supply	Cl. 44(5)	4					✓					✓
144	Compliance rate	Cl. 44(6)	4					✓					✓
144A 144B	Notice of planned service interruptions	Cl. 46(1)-(2)	4	✓					✓				
144C 144D	Policy for dealing with leaks and blockages	Cl. 47(1) - (2)	4	✓					✓				
144E	24 hour information line	Cl. 48	4	✓					✓				
145 146	Complaints procedure - written	Cl. 49(1) - (2)	4	✓					✓				
147	Complaints procedure - details	Cl. 49(3)	4	✓					✓				
148A	Complaints procedure - Ombudsman	Cl. 49(4)	4	✓					✓				
149	Complaints procedure publicly available	Cl. 49(5)	4	✓					✓				

No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ² (A=Adequate, B=Generally adequate, C=Inadequate, D=No controls, NP=Not performed)					Compliance Rating (1=Compliant, 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated)				
				A	B	C	D	NP	1	2	3	4	NR
149A	Resolution of complaints	Cl. 50	4	✓					✓				
150	No charge for information	Cl. 51(1)	4					✓					✓
152	Access to customer information	Cl. 51(2), (3)	4					✓					✓
153	Code of Conduct publicly available in hardcopy and on website	Cl. 52(1)	4	✓					✓				
154	Bill information on website	Cl. 52(2)	4	✓					✓				
154AA	Preserved Supply Register Information on website	Cl. 52(3)	4			✓				✓			
154A	Link to WA website	Cl. 52(4)	4					✓	✓				
154B	Preserved supply register	Cl. 54(2)	2					✓	✓				
154CC	Provide information to customer	Cl. 54(3)	2			✓							✓
154C	No flow reduction	Cl. 55	2			✓							✓
1564D	Notification of service interruption	Cl. 56	2			✓							✓
Licence Conditions – Specific Clauses													
155	Fees to regulator	Cl. 4.2.1	4	✓					✓				
159	Direction from ERA	Cl. 4.1.2	4					✓					✓
160	Compliance with Accounting Standards	Cl. 4.6.1	4	✓					✓				
161	Compliance with performance standards	Cl. 5.2.1	4	✓					✓				
162	Operational audit	Cl. 5.3.4	4	✓					✓				
163	External administration	Cl. 4.7.1(a)-(c)	4					✓					✓
165	Provision of information to the ERA	Cl. 4.8.1	4	✓					✓				
167	Performance reporting to ERA	Cl. 4.8.2	4	✓					✓				
168	Publishing information	Cl. 3.8.1 & 3.8.2	4					✓					✓
169	Notices in writing	Cl. 3.7.1	4	✓					✓				
170A	Notify ERA of asset management system (AMS)	Cl. 5.1.1 (a) & (b)	4	✓					✓				
171	Notify ERA of material change to AMS	Cl. 5.1.3	4	✓									✓
172	AMS review	Cl. 5.1.7	4	✓					✓				
172A 172B	ERA direction re condition of service	Cl. 6.1.1-6.1.2	4					✓					✓

No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ² (A=Adequate, B=Generally adequate, C=Inadequate, D=No controls, NP=Not performed)					Compliance Rating (1=Compliant, 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated)				
				A	B	C	D	NP	1	2	3	4	NR
181	Obligations of supplier of last resort	Cl. 6.3.1	4					✓					✓
182	No services outside operating area	Cl. 4.4.1(b)	4					✓					✓
184	MOU with Department of Health ((potable water) (<i>Applicable after May 2020</i>))	Cl. 7.1.1	4	✓					✓				
185	MOU legal compliance	Cl. 7.1.4	4	✓					✓				
186	MOU compliance	Cl. 7.1.5	4	✓					✓				
187	MOU published	Cl. 7.1.6	4	✓					✓				
188	MOU - audit reports published	Cl. 7.1.7	4					✓					✓
189	MOU – other reports published	Cl. 7.1.8	4	✓					✓				
190	Service and performance standards (if applicable)	Schedule 2	4	✓					✓				
190A	Service standards for continuity of pressure and flow	Schedule 2	4	✓					✓				
190B	Notify customers if pressure and flow outside licence range	Schedule 2	4					✓					✓
190C	Notify ERA annually of any restrictions to supply	Schedule 2	4					✓					✓
Water Services Code of Practice (Family Violence) 2020													
191	Family violence policy	Cl. 5(1)	4	✓					✓				
192	Family violence policy before the end of the six-month period	Cl. 5(2)	4	✓					✓				
193	Published family violence policy on website	Cl. 6	4		✓				✓				
194	Review of family violence policy once every 5-year period	Cl. 7	4	✓					✓				
195	Records of compliance with this code	Cl. 8(1)	4					✓					✓
196	Retain records for at least 7 years	Cl. 8(2)	4					✓					✓
197	Inform customers of complaints procedure	Cl. 9	4					✓					✓
198	Website link to current copy of this Code	Cl. 10	4	✓					✓				

3.5 Status of Previous Audit Recommendations

The previous audit covered the period from 1 April 2021 to 31 March 2023 and was reported in June 2023. There were no recommendations. `

Reference (no./year)	Previously Assessed Non-Compliance/Controls Improvement	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				
	Nil			

3.6 Detailed Audit Observations

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
Water Services Act 2012							
2	Section 21(1)(b)	Clause 4.3.1(b)	The licensee must if requested, offer to provide the water service authorised by the licence to any other person (not covered by section 21(1)(a) of the Act) within the operating area of the licence on reasonable terms, unless provision of the service is not financially viable or is otherwise not practicable.	4	The General Manager, Lancelin South Water (GM, LSW) confirmed that during the audit period, Lancelin South was not requested to provide the water service authorised by WL47 to any other person (not covered by section 21(1)(a) of the Act) within the operating area of WL47.	NP	NR
3	Section 21(1)(c)	Clauses 4.1.1	The licensee must provide, operate and maintain the water service works specified by the ERA in the licence for the purpose of section 11(3).	4	This audit confirmed the water service works are operated in accordance with the Licence.	NP	1
4	Section 22	Clause 4.4.1(a)	The licensee must notify the ERA as soon as practicable before commencing to provide the water service outside of the operating area of the licence.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not provide water services outside the operating area of WL47.	NP	NR
5	Section 23	Clause 4.5.1	All water service works used by the licensee in the provision of a water service must be held by the licensee or must be covered by a works holding arrangement.	4	The GM, LSW confirmed that during the audit period, Lancelin South leased the water service works used to provide water services from Matthauss Limited Partnership. The audit examined a lease agreement entered between Matthauss Limited Partnership and	A	1

³ The number refers to the item reference in the Water Compliance Reporting Manual (July 2024 and if applicable 2021 Manual).

⁴ The highest priority areas (priority 1, 2 or 3) based on inherent risk and expected controls/processes are highlighted in **RED**.

⁵ Controls Rating Scale: A=Adequate, B=Generally adequate, C=Inadequate, D=No controls, NP=Not performed.

⁶ Compliance Rating Scale: 1=Compliant, 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated.

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
					Lancelin South on 13/02/2019 for the lease of the sewerage plant (lease term of 20 years). In 2022, VIMG WA Pty Ltd purchased all of the water service assets. Lancelin South Pty :Ltd is wholly owned by VIMG. Therefore, all water service works are held by the licensee or were covered by a works holding arrangement.		
6	Sections 24(1)(a) & 24(2)	Clause 5.1.1	The licensee must provide for an asset management system in respect of the licensee's water service works.	4	This audit and review confirmed that Lancelin South has an asset management system in respect of the water service works. This documented in the Asset Management Plan.	A	1
8	Section 24(1)(c)	Clause 5.1.4	A licensee must provide the ERA with a report by an independent expert as to the effectiveness of its asset management system every 24 months, or such longer period as determined by the ERA.	4	The previous asset management review report was provided in June 2023. This review report will be provided to the ERA by June 2025. This obligation is stated in the Lancelin South Reporting Info. Compliance Calendar.	A	1
8A	Section 24(2) <i>From July 2024</i>	Clause 5.1.1	The licensee's asset management system must include the measures to be taken by the licensee for the proper maintenance of the water service works and the provision and operation of the water service works, and other water service works necessary for the provision of the water service.	4	This review has confirmed that Lancelin South has an effective asset management system. This is documented in the Asset Management Plan.	A	1
9	Section 25	Clause 5.3.1	A licensee must, not less than once every 24 months, or such longer period as determined by the ERA, provide the ERA with an operational audit conducted by an independent expert appointed by the ERA.	4	The previous operational audit report was provided in June 2023. This audit report will be provided to the ERA by June 2025. This obligation is stated in the Lancelin South Reporting Info. Compliance Calendar.	A	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
10	Section 26(3)	Clause 4.1.1	The licensee must comply with each code of practice made by the Minister to the extent to which it applies to the licensee.	4	Lancelin South has a “Family Domestic Violence Policy that complies with clause 5(1) of the <i>Water Services Code of Practice (Family Violence) 2020</i> . There have been no further codes of practice issued by the Minister in this audit period.	NP	1
13	Section 36	Clause 4.1.1	If the licensee ceases to provide a water service in an area, the licensee must ensure that the water service works are left in a safe condition and must not remove any part of the works except with the approval of the Minister.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not cease to provide a water service in any area.	NP	NR
14	Section 60	Clause 6.3.1	If the licensee is the supplier of last resort for a designated area in relation to the provision of a particular water service, the licensee must perform the functions of the supplier of last resort and must comply with the relevant duties and carry out the relevant operations specified.	4	The GM, LSW confirmed that during the audit period, Lancelin South was not a supplier of last resort for a designated area in relation to the provision of a particular water service.	NP	NR
15	Section 70(2)	Clause 6.2.1	The licensee must not supply water services to customers unless the licensee: <ul style="list-style-type: none"> • is a member of the water services ombudsman scheme; and • is bound by the scheme; and • will comply with any decision or direction of the water services ombudsman under the scheme. 	4	The auditor confirmed with the Energy and Water Ombudsman website that Lancelin South is a member of the water services ombudsman scheme. The GM, LSW confirmed that they have no knowledge of any decisions or directions made by the water service ombudsman during the audit period.	NP	1
16	Section 77(3)	Clause 4.1.1	The licensee must take reasonable steps to minimise the extent or duration of any interruption of water services it is responsible for.	4	The GM, LSW confirmed that during the audit period, Lancelin South took reasonable steps to minimise the extent or duration of any interruption of water services it was responsible for. Over the audit period, there were no unplanned reported outages to potable water as per the	A	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
					<p>Performance Reports to ERA. There have been some planned outages in the lower usage times of day. The GM, LSW confirmed that reasonable steps were taken to minimise the extent and duration of the interruptions.</p> <p>For planned service outages, the contractor performing the works is required to both limit the duration of outage and perform the outage in the lower usage times of day.</p> <p>For unplanned service outages, Lancelin South does whatever is necessary to return water service as soon as possible. Advice is placed on the website regarding cause and expected return to service (examples of the notification emails were sighted).</p> <p>The procedures are documented in the Water Service Interruption procedure and the Burst Leaks and Blockages procedure.</p>		
17	Sections 82(4) & (5)	Clause 4.1.1	If a person must give the licensee notice of any building work to be carried out on land in the operating area of a license, the licensee must return a copy of the plans and specifications contained in the notice with any written directions about the proposed building work that the licensee considers necessary to ensure the safety and efficacy of the provision of water services provided, or to be provided. The licensee must do this within 7 days of receiving the fee for dealing with the notification.	4	The GM, LSW confirmed that during the audit period, no person was obliged to give Lancelin South notice of any building work to be carried out on land in the operating area of a license.	NP	NR
18	Section 84(2)	Clause 4.1.1	If the licensee has given a notice under section 83(3)(a) of the Act, and the licensee is satisfied that the person given the notice is not going to comply with the	4	The GM, LSW confirmed that during the audit period, Lancelin South did not give any notice under Section 83(3)(a) of the Act.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
			notice within a reasonable time, the licensee must give the person 21 days' notice of its intention to commence the works.				
19	Section 87(2)	Clause 4.1.1	If a person makes an application with the State Administrative Tribunal for a review of a decision in respect of the licensee providing additional water services when a person has not responded to the licensee's notice, the licensee cannot provide the works until the application has been finally dealt with, except in limited circumstances.	4	The GM, LSW confirmed that he is not aware of any person who, during the audit period, made an application with the State Administrative Tribunal for a review of a decision in respect of the licensee providing additional water services.	NP	NR
20	Section 90(7)	Clause 4.1.1	If the licensee gives a compliance notice to a person who is undertaking construction or carrying out similar works in the vicinity of water service works, the licensee must, to the extent practicable, consult with the owner of the land on which the obstruction is located or the activity is taking place if the person to be given the notice is not the owner of the land.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not give any compliance notices to any person who was undertaking construction or carrying out similar works in the vicinity of water service works.	NP	NR
21	Section 95(3)	Clause 4.1.1	The licensee cannot cut off the supply of water to an occupied dwelling unless the occupier agrees to that.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not cut off the supply of water to an occupied dwelling.	NP	NR
22	Section 96(1)	Clause 4.1.1	If the licensee provides water supply reticulation works or enters into an agreement for the provision of water supply reticulation works, the licensee must install fire hydrants attached to those works in accordance with the requirements of FESA, or the relevant	4	The GM, LSW confirmed that, during the audit period, Lancelin South did not receive any requirements from FESA or the relevant local government regarding water supply reticulation works.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
			local government as to the location and type of hydrant.				
23	Section 96(5)	Clause 4.1.1	The licensee must comply with requests made by FESA or a local government under sections 96(3) and 96(4) of the Act to the extent practicable and within a reasonable time.	4	The GM, LSW confirmed that he has no knowledge of any FESA or local government request, during the audit period, made of Lancelin South under sections 96(3) and 96(4) of the Act.	NP	NR
24	Section 98(3)	Clause 4.1.1	If required to by the Minister, the licensee must connect a wastewater inlet on land to the sewerage works of the licensee. (Sewerage services)	4	The GM, LSW confirmed that during the audit period, Lancelin South did not receive any Ministerial request to connect a wastewater inlet on land to its sewerage works.	NP	NR
25	Section 106(2)	Clause 4.1.1	The licensee must include the information specified in a compliance notice given in relation to failure to maintain fittings, fixtures and pipes. (Sewerage services)	4	The GM, LSW confirmed that during the audit period, Lancelin South did not give any compliance notice in relation to failure to maintain fittings, fixtures and pipes.	NP	NR
28	Section 119(2)	Clause 4.1.1	The licensee must include the information specified in a compliance notice given in relation to the matters set out in section 119(1).	4	The GM, LSW confirmed that during the audit period, Lancelin South did not give any compliance notice in relation to the matters set out in section 119(1).	NP	NR
29	Section 122(2)	Clause 4.1.1	If a person makes an application to the State Administrative Tribunal under section 122(1), the licensee cannot take, or continue to take, action against the person except in the circumstances specified.	4	The GM, LSW confirmed that during the audit period, that he is not aware of any person who, during the audit period, made an application to the State Administrative Tribunal under section 122(1) of the Act.	NP	NR
30	Section 125(2)	Clause 4.1.1	If the licensee provides a water supply, sewerage or drainage service to 2 or more dwellings on land by a single property connection, the licensee may apportion fees. The licensee cannot apportion fees to the extent	4	The GM, LSW confirmed that during the audit period, Lancelin South did not provide a water supply or sewerage service to 2 or more dwellings on land by a single property connection.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
			inconsistent with any agreement related to such a provision of services, or section 66 of the <i>Strata Titles Act 1985</i> .				
31	Section 128(4)	Clause 4.1.1	If the licensee has previously lodged a memorial with the Registrar, the licensee must lodge a withdrawal of memorial with Registrar along with the specified fee (if any) if the charge or contribution has been paid.	4	The GM, LSW confirmed that he is not aware of any instance during the audit period, which required Lancelin South to lodge a withdrawal of memorial with Registrar.	NP	NR
32	Section 129(5)	Clause 4.1.1	If a routine inspection or maintenance is likely to cause disruption to the occupants of a place at least 48 hours' notice of a proposed entry must be given to the occupier of the place unless the occupier agrees otherwise.	4	The GM, LSW confirmed that during the audit period, only sub-contracted plumbers entered places at the specific request of occupants and therefore 48 hours' notice of proposed entry was not required.	NP	NR
33	Section 139(3)	Clause 4.1.1	If the licensee removes or erects a fence or gate when exercising a works power conferred by the Act, the licensee must take all reasonable steps to notify the owner before doing so.	4	The GM, LSW confirmed that during the audit period, Lancelin South, did not remove or erects a fence or gate when exercising a works power conferred by the Act.	NP	NR
34	Section 141(1)	Clause 4.1.1	A person authorised by the licensee may enter a road and exercise a works power of the licensee without consent, notice or warrant unless the exercise of the power involves opening or breaking up the surface of the road, or would cause a major obstruction of the road or disruption of the traffic, in which case the licensee must give at least 48 hours' notice to the public authority that has control or management of the road.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not exercise a works power for a road.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
35	Sections 142	Clause 4.1.1	The licensee must comply with sections 143 and 144 of the Act in relation to the proposed major works and has given any notice required by section 148.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not undertake any major works.	NP	NR
36	Sections 143 (2)	Clause 4.1.1	Before the licensee submits a proposal for the provision of major works to the Minister, the licensee must prepare, publish and make available plans and details of those major works as specified.	4	Refer obligation 35.	NP	NR
37	Sections 143 (3)	Clause 4.1.1	The licensee must, within 5 days of publishing the plans and details on the licensee's website, give notice setting out the matters specified in section 143(4) to the persons and agencies specified.	4	Refer obligation 35.	NP	NR
38	Section 144(3)	Clause 4.1.1	The licensee must have regard to an objection or submission lodged within the relevant period.	4	Refer obligation 35.	NP	NR
39	Section 145(2)	Clause 4.1.1	If the licensee makes alterations to the plans or details referred to in section 143(2), the licensee must give written notice of the alterations to any person who is likely to be adversely affected by those alterations.	4	Refer obligation 35.	NP	NR
40	Section 147(3)	Clause 4.1.1	The licensee must comply with a direction given by a Minister in respect of a proposal to provide water service works that are major works under section 143(3).	4	Refer obligation 35.	NP	NR
41	Section 147(4)	Clause 4.1.1	If the Minister gives a direction that further notices in relation to the	4	Refer obligation 35.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
			proposed major works be given under section 143(3), the licensee must resubmit the proposal.				
42	Section 151(1)	Clause 4.1.1	A licensee proposing to provide water service works that are general works must prepare plans and details of the proposed works and publish and make them available for inspection.	4	<p>The GM, LSW confirmed that during the audit period, Lancelin South did not undertake any general works. There is a current proposal in progress for significant staged expansion of the water treatment plant (preliminary design by Lancelin South) and of the sewage treatment plant (preliminary design by Peritas). This is planned in the next 5 years and will be driven by the expansion of the residential and commercial estates. The expansion includes:</p> <ul style="list-style-type: none"> • Replace the groundwater production bore pump with a larger capacity pump; • Add a second Water Treatment Plant in parallel to the current plant; • Replace the Sewerage Transfer Pump Station pumps with a larger capacity pumps; and • Replace the Sewerage Treatment Plant with a larger capacity facility. <p>Lancelin South is the owner of the estate. The proposed general works will not adversely affect any occupier of the estate.</p> <p>The Asset Management Plan provides high level guidance on asset development. Lancelin South does not have a specific procedure for asset development, given the infrequent nature of such work.</p>	NP	NR
43	Section 151(2)	Clause 4.1.1	The licensee must give a notice of general works setting out the matters referred to in section 151(3) to the persons and agencies specified.	4	Refer obligation 42.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
44	Section 152(3)	Clause 4.1.1	The licensee must have regard to an objection or submission lodged by the date specified in the notice given under section 151(2).	4	Refer obligation 42.	NP	NR
45	Section 153(3)	Clause 4.1.1	If the licensee makes alteration to those plans or details referred to in section 151, the licensee must give written notice of the alterations to any person who is likely to be adversely affected by those alterations.	4	Refer obligation 42.	NP	NR
45A	Section 160(1) <i>From July 2024</i>	Clause 4.1.1	A licensee, when providing water service works, may: <ul style="list-style-type: none"> deviate from any plan or description of, or proposal for, those works and make any modification to the plan, description or proposal that is require by the circumstance, if the deviation or modification is agreed to in writing by the owner and occupier of the affected land.	4	The GM, LSW confirmed that, during the audit period, Lancelin South did not deviate from any planned water service works.	NP	NR
46	Section 166(5)	Clause 4.1.1	On being advised by the Minister that an interest in land is appropriate to the licensee's needs, the licensee is required to acquire the interest.	4	The GM, LSW confirmed that, during the audit period, Lancelin South did not receive any advice from the Minister that an interest in land is appropriate to its needs.	NP	NR
47	Section 166(6)	Clause 4.1.1	Any costs incurred in taking an interest in land are to be paid by the licensee.	4	Refer obligation 46.	NP	NR
48	Section 170	Clause 4.1.1	The licensee must not sell an interest in land if the purchaser would hold a parcel of land that did not comply with the minimum lot size and zoning requirements under the <i>Planning and</i>	4	The GM, LSW confirmed that, during the audit period, Lancelin South did not sell an interest in land.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
			<i>Development Act 2005</i> , unless the Minister permits the licensee to do so.				
49	Section 173(4)	Clause 4.1.1	In relation to entry to a place for the purposes of doing works, in the circumstances specified, the licensee is required to give 48 hours' notice of proposed entry to a place to the occupier or owner, as applicable, unless the occupier or owner agrees otherwise.	4	The GM, LSW confirmed that during the audit period, only sub-contracted plumbers entered places at the specific request of occupants and therefore 48 hours' notice of proposed entry was not required.	NP	NR
50	Section 174(1)	Clause 4.1.1	Notice of a proposed entry by the licensee must be in writing and must set out the purpose of the entry, including (if applicable) any work proposed to be carried out.	4	Refer obligation 49.	NR	NR
51	Section 174(3)	Clause 4.1.1	Even if in a particular instance the licensee may enter a place under the Act without having to give notice of proposed entry, the licensee must when practicable, and when it will not compromise the reason for entry, give notice of entry to the occupier.	4	Refer obligation 49.	NP	NR
52	Section 175(2)	Clause 4.1.1	If an occupier is present when the licensee proposes to enter a dwelling, the licensee must perform the specified actions before entering the premises.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not enter any dwellings as its responsibility stops at the water meters.	NP	NR
53	Section 175(5)	Clause 4.1.1	If the licensee enters a dwelling that is unoccupied, the licensee must leave a notice, which includes the specified information, or a copy of the warrant (as applicable) in a prominent position in the dwelling before leaving the dwelling.	4	Refer obligation 52.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
54	Section 176(1)	Clause 4.1.1	If the licensee has entered a place with or without consent, the licensee must leave the premises as soon as practicable after being notified that the owner or occupier has refused or withdrawn their consent.	4	The GM, LSW confirmed that during the audit period, Lancelin South was not notified by an owner or occupier to leave an entered place.	NP	NR
55	Section 176(3)	Clause 4.1.1	The licensee must produce their certificate of authority if asked to do so, and must not perform, or continue to perform, a function under the Act if they are not able to do so.	4	The GM, LSW confirmed that during the audit period, Lancelin South was not requested to produce evidence of authority.	NP	NR
56	Section 176(4)	Clause 4.1.1	If the licensee enters or proposes to enter a place, and the owner or occupier requests the licensee produce evidence of authority for that entry, then the licensee must leave the place if they are unable to do so unless the owner or occupier agrees otherwise.	4	Refer obligation 55.	NP	NR
57	Section 181	Clause 4.1.1	The licensee, or a person assisting the licensee, must, as far as is practicable comply with any reasonable request from the owner or occupier intended to limit interference with the lawful activities of the owner or occupier.	4	The GM, LSW confirmed that he is not aware of any reasonable request made during the audit period, by an owner or occupier intended to limit interference with the lawful activities of the owner or occupier.	NP	NR
58	Section 186	Clause 4.1.1	If the licensee applies for a warrant, the application must contain the specified information.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not apply for any warrants or execute any warrants.	NP	NR
59	Sections 187(1) – (3)	Clause 4.1.1	If the licensee applies for a warrant to enter, the application must be made in accordance with the procedures specified depending on the location of the applicant and the justice.	4	Refer obligation 58.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
60	Section 190(4)	Clause 4.1.1	Unless required to give a copy of the warrant, the licensee executing the warrant must produce the warrant for inspection by the occupier of the place concerned on entry (if practicable), and if requested to do so.	4	Refer obligation 58.	NP	NR
61	Section 190(5)	Clause 4.1.1	On completing the execution of a warrant the licensee must record the specified information on that warrant.	4	Refer obligation 58.	NP	NR
62	Section 210(5)	Clause 4.1.1	If the licensee designates a person as an inspector or compliance officer, the licensee must give that person a certificate of authority that includes certain specified information.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not designate a person as an inspector or compliance officer.	NP	NR
63	Section 218(2)	Clause 4.1.1	In the exercise or purported exercise of a power under the Act, the licensee must ensure that, to the extent practicable, the free use of any place is not obstructed, and that as little damage, harm or inconvenience is caused as is possible.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not: <ul style="list-style-type: none"> Obstruct the free use of any place; or Cause any damage, harm or inconvenience. 	NP	NR
64	Section 218(3)	Clause 4.1.1	If the licensee does any physical damage in the exercise of a works power or a power of entry, the licensee must ensure that the damage is made good, and pay compensation to the extent that it is not practicable to make good the damage.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not cause any physical damage in the exercise of a works power or a power of entry.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
Water Services Regulations 2013							
65	Regulation 23(2)	Clause 4.1.1	If the licensee provides a water supply service in respect of a multi-unit development, the licensee must, on the request of the owner or the strata company, assess whether a meter is satisfactory for measuring the quantity or flow of water passing through a pipe supplying water to the unit.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not provide a water supply service in respect of a multi-unit development.	NP	NR
66	Regulation 24(4)	Clause 4.1.1	If the licensee gives a compliance notice to a person in respect of access to meters, the notice must specify the specified information.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not issue any compliance notices in respect of meters.	NP	NR
67	Regulations 26(3)	Clause 4.1.1	If the owner or occupier requests the licensee to test a meter and pays the charge (if any) for testing that type of meter, the licensee must test the meter in accordance with a procedure approved by the CEO for the purpose of this regulation.	4	The GM, LSW confirmed that during the audit period, Lancelin South was not requested by an owner or occupier to test a meter.	NP	NR
68	Regulation 26(5)	Clause 4.1.1	If a meter test finds that the meter is outside the prescribed tolerance applicable, the licensee must take the specified actions, bear the costs of testing and refund or credit any charges paid under regulation 26(3).	4	Refer obligation 67.	NP	NR
69	Regulation 29(1)	Clause 4.1.1	The licensee must, on the written request of a developer who is required to pay the licensee an infrastructure contribution in respect of a subdivided lot, defer the payment of the	4	The auditor confirmed with VIMG and during the site visit that, during the audit period, Lancelin South was the only developer within the operating area of WL47.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
			contribution unless regulations 29(3) or 29(4) applies.				
70	Regulation 42(2)	Clause 4.1.1	The written order requiring the owner or occupier of land to install a backflow prevention device must set out the date which the device must be installed and tested (which must be at least 7 days after the order is given).	4	The GM, LSW confirmed that during the audit period, Lancelin South did not give a written order requiring the owner or occupier of land to install a backflow prevention device.	NP	NR
71	Regulation 43(3)	Clause 4.1.1	The compliance notice given by the licensee to the owner or occupier of land must specify that the backflow prevention device be tested or maintained in accordance with the standard and the date by which the testing or maintenance is required to be done (which must be at least 7 days after the day the notice is given to the owner or occupier).	4	The GM, LSW confirmed that during the audit period, Lancelin South did not give any compliance notice to the owner or occupier of land regarding: <ul style="list-style-type: none"> • Testing or maintaining a backflow prevention device; or • Making good a backflow prevention device. 	NP	NR
72	Regulation 43(6)	Clause 4.1.1	The compliance notice requiring the owner or occupier of land to have their backflow prevention device made good as specified in the notice must include the work that is required to be done, the manner in which the work is to be done and the date by which the work is to be done (which must be at least 7 days after the notice is given)	4	Refer obligation 71.	NP	NR
74	Regulation 60(2)	Clause 4.1.1	If the licensee proposes to exercise a works power in a road and considers that it is necessary to alter the position of infrastructure, the licensee must notify the person who is responsible for the infrastructure and may request that the	4	The GM, LSW confirmed that during the audit period, Lancelin South did not exercise a works power for a road.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
			person make the alterations within the time specified in the notice.				
75	Regulation 63	Clause 4.1.1	If the licensee opens or breaks up the surface of a road, the licensee must complete the relevant work and reinstate and make good the road and must take all reasonable measures to prevent that part of the road from being hazardous.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not open or break up the surface of a road	NP	NR
89	Regulation 85	Clause 4.1.1	Compliance notices issued by the licensee must include a brief description of the possible consequences under the Act of not complying with the notice, and the rights of review under the Act in relation to the notice and who may apply for review.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not issue any compliance notices.	NP	NR
Water Services Code of Conduct (Customer Service Standards) 2024							
92	Clause 8(1)-(3)	Clause 4.1.1	<p>The licensee must have written information for customers about the specified matters regarding connections and the information must be publicly available.</p> <p>Note: The information required by subclause 8(2)(a) applies to the Water Corporation, Bunbury Water Corporation and Busselton Water Corporation only and the information required by subclause 8(2)(g) applies only to licensees that supply potable water).</p>	4	<p>The audit confirmed that Lancelin South has a dedicated website for Lancelin South Water that has written information on the prescribed matters regarding connection, including:</p> <ul style="list-style-type: none"> • Customer Service Charter • A dedicated web page entitled: “Getting Connected – Connecting to our Services” and specific forms as follows: <ul style="list-style-type: none"> ○ Residents Account Establishment Form ○ Service Supply Connection Requirements”; and ○ Residents Water Service Connection Application Form ○ Residential Pricing and Charges 	A	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
					The Customer Service Charter states under the heading Installation of Services that "Services will be connected upon request and within 10 business days of lodgement of the Application or as agreed."		
93	Clause 9(2) and (4)	Clause 4.1.1	<p>The licensee must ensure that, in any 12-month period, 90% of water supply service connections are completed before the end of 10 business days, starting on the day on which the customer has paid the relevant fees and complied with the relevant requirements.</p> <p><i>Note: Potable water supply only.</i></p>	4	<p>There were 7 new connections in the audit period to a total of 29 connections. The GM, LSW confirmed these were made within 10 business days of the connection fee being paid.</p> <p>This obligation is stated in the Customer Service Charter.</p>	A	1
94	Clause 10(2)	Clause 4.1.1	If the licensee charges a fixed charge, the licensee must issue a bill for a fixed charge to each customer at least once in every 12-month period.	4	<p>The audit reviewed a sample of quarterly Lancelin South tax invoices issued to 12 out of 29 customers (41%) during the audit period. These tax invoices levied quarterly "Fixed Charges" for Base Water Service Charge and Base Sewerage Service Charge.</p> <p>This obligation is stated in the Customer Service Charter and the Residential Pricing and Charges form on the website.</p>	A	1
95	Clause 11(2)	Clause 4.1.1	If the licensee charges a quantity charge, the licensee must issue a bill - for a quantity charge at least once in every 4-month period to each customer.	4	<p>The audit reviewed a sample of quarterly Lancelin South tax invoices issued to 12 out of 29 customers (41%) during the audit period. These tax invoices levied a quarterly Potable Water Usage Charge and Non Potable Water Usage Charge.</p> <p>This obligation is stated in the Customer Service Charter and the Residential Pricing and Charges form on the website.</p>	A	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
96	Clause 11(3)	Clause 4.1.1	A bill for usage must be based on a meter reading to ascertain the quantity supplied or discharged.	4	The audit reviewed a sample of quarterly Lancelin South tax invoices issued to 12 out of 29 customers (41%) during the audit period. These tax invoices recorded quarterly meter readings for the Potable Water Usage Charge and the Non Potable Water Usage Charge. This obligation is stated in the Customer Service Charter and the Residential Pricing and Charges form on the website.	A	1
97	Clause 11(4)	Clause 4.1.1	If an accurate meter reading is not possible, a bill for usage must be based on an estimate, in accordance with the specified regulations (if any), of the quantity of water supplied or wastewater discharged. (Note: The Water Services Regulations 2013 did not address the estimation of bills at the time this Reporting Manual was published).	4	The audit confirmed with the Accountant that during the audit period, there have been a number of estimates. These generally relate to customers moving in and out of properties without notifying Lancelin South. The estimates are based on the meter read average of prior periods usage. This complies with the regulations. The control is the estimation procedure stated in the Customer Service Charter that complies with this obligation.	A	1
98	Clause 11(5)	Clause 4.1.1	If an accurate meter reading is not possible and there are no applicable regulations, a bill for usage must be based on a reasonable estimate of supply or discharge using one of the specified methods.	4	Refer obligation 97.	A	1
98A	Clause 11(6)	Clause 4.1.1	Despite subclauses 11(4) and (5), a bill for usage based on a meter reading must be issued at least once in every 12-month period.	4	The audit reviewed a sample of quarterly Lancelin South tax invoices issued to 12 out of 29 customers (41%) during the audit period. These tax invoices included quarterly meter readings. This obligation is stated in the Customer Service Charter and the Residential Pricing and Charges form on the website.	A	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
99	Clause 12(3)	Clause 4.1.1	A bill must be sent to the address of the place where the water service is provided or, to another address nominated by the customer.	4	The audit confirmed that, during the audit period, Lancelin South sent bills to the water service delivery address or a nominated address. The audit reviewed a sample of 12 Lancelin South tax invoices issued during the audit period. These tax invoices recorded the customers' postal addresses. This obligation is stated in the Customer Service Charter.	A	1
99A	Clause 12(1) <i>From July 2024</i>	Clause 4.1.1	A licensee must allow a customer to choose to receive bills by post or email.	4	As per obligation 98A.	A	1
99B	Clause 12(2) <i>From July 2024</i>	Clause 4.1.1	The licensee must inform the customer of any charge for sending a bill when offering the choice under subclause 12(1).	4	The audit confirmed that any invoices sent by post have no additional charge. Th option to impose a charge for posted invoices is included is the Customer Contract (section 4.2.3).	A	NR
99C	Clause 12(4) <i>From July 2024</i>	Clause 4.1.1	A bill sent by email must be sent to an email address provided by the customer.	4	As per obligation 98A.	A	1
99D	Clause 12(5) <i>From July 2024</i>	Clause 4.1.1	A licensee must not charge for sending a bill when any one of the specified situations apply to the customer.	4	The audit confirmed that any invoices sent by post have no additional charge. Th option to impose a charge for posted invoices is included is the Customer Contract (section 4.2.3).	A	NR
100	Clause 13(2)	Clause 4.1.1	Each bill must contain the prescribed information.	4	The audit reviewed a sample of quarterly Lancelin South tax invoices issued to 12 out of 29 customers (41%) during the audit period. These tax invoices	A	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
					disclosed the information stipulated in clause 13(1) of the 2024 Code of Conduct The GM, LSW confirmed that during the audit period, no concessions were granted to customers; and no interest or fees were charged for late payment of outstanding amounts. The Regulatory Compliance Register acknowledges the obligation recorded in clause 13(1) of the Code of Conduct.		
100A	Clause 13(7)	Clause 4.1.1	A bill issued for 2 or more water services must specify the charge payable for each water service.	4	The audit reviewed a sample of 12 Lancelin South tax invoices issued during the audit period. These tax invoices recorded, where applicable: <ul style="list-style-type: none"> • Potable Water Usage Charge; • Non-Potable Water Usage Charge. • Base Water Service Charge; and • Base Sewerage Service Charge. 	NP	1
101	Clause 13(3)	Clause 4.1.1	Each bill for usage for a metered water service must contain the specified information.	4	The audit reviewed a sample of 12 Lancelin South tax invoices issued during the audit period. These tax invoices contained the information stipulated in the 2024 Code of Conduct. The GM, LSW confirmed that during the audit period, Lancelin South did not estimate usage for billing purposes.	NP	1
101A	Clause 13(4)	Clause 4.1.1	If a bill for usage for a metered water service was based on an estimate, the bill must inform the customer that the licensee will tell the customer the prescribed information on request.	4	The audit confirmed with the Accountant that during the audit period, Lancelin South did issue some invoices based on estimated usage for billing purposes. This was disclosed on the invoice as confirmed by review of an estimated usage invoice. The control is the estimation procedure stated in the Customer Service Charter that complies with this obligation.	A	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
102A	Clause 13(5)	Clause 4.1.1	Each bill must contain the prescribed information.	4	<p>The audit reviewed a sample of 12 Lancelin South tax invoices issued during the audit period. These tax invoices contained the information stipulated in clause 13(6) of the Code of Conduct including:</p> <ul style="list-style-type: none"> • Telephone number for complaints; • Freecall telephone number for the office of the water services ombudsman; • A statement that the website contains information about estimates, meter reading and testing, complaints and review; and • A statement that the bill can be reviewed in accordance with the licensee's review procedure mentioned in clause 20. 	NP	1
103	Clause 14(1)	Clause 4.1.1	If a bill is based on an estimate, the licensee must tell the customer on request the basis of the estimate and the reason for the estimate.	4	<p>The audit confirmed with the Accountant that during the audit period, Lancelin South did issue some invoices based on estimated usage for billing purposes. This was disclosed on the invoice as confirmed by review of an estimated usage invoice.</p> <p>These generally relate to customers moving in and out of properties without notifying Lancelin South. The estimates are based on the meter read average of prior periods usage.</p> <p>The control is the estimation procedure stated in the Customer Service Charter that complies with this obligation.</p>	A	1
104	Clause 14(2)	Clause 4.1.1	If a bill is based on an estimate, the licensee must make any adjustments to the next bill to take into account the extent to which the estimate was not reasonable having regard to a subsequent and accurate meter reading.	4	<p>The audit confirmed with the Accountant that during the audit period, Lancelin South did issue some invoices based on estimated usage for billing purposes. Where a subsequent meter reading became available, the bill was adjusted.</p> <p>The control is the estimation procedure stated in the Customer Service Charter that complies with this obligation.</p>	A	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
104A	Clause 15(3)	Clause 4.1.1	Each bill for usage to which clause 15 applies must, in addition to the requirements of clause 13, contain the specified information.	4	The Lancelin South document Residential Pricing & Charges records a single Water Usage Charge for both potable water and non-potable water irrespective of the volume of usage. Therefore, this is not rated.	NP	NR
105	Clause 16(1)	Clause 4.1.1	<p>The licensee must provide to the customer on request either or both of the following:</p> <ul style="list-style-type: none"> a meter reading and a bill to determine the outstanding charges for a period that is not the same as the usual bill cycle. If the customer disputes an estimate on which a bill is based, a meter reading and revised bill. 	4	The audit confirmed by review of the LSW Communications Register that there were no requests for meter readings outside the usual cycle or if a customer disputed the metering.	NP	NR
106	Clause 17(2) and (3)	Clause 4.1.1	The licensee must have a written policy, standard or set of guidelines (available on the licensee's website and a hardcopy provided to a customer upon request at no charge) in relation to granting a discount to a customer whose meter reading indicates a water usage that is higher than normal for the customer but is likely to have been wasted because of a leak from the customer's system.	4	<p>Lancelin South's "Leak Allowance Procedure" on the website states:</p> <p>"Lancelin South accept that leaks may occur and may not be obvious (i.e. are hidden) to customers and that significant volumes of water can be wasted. Lancelin South accept that this may have significant impact on a customer and consequently, may grant a leak allowance of up to 1,000 kilolitres, on either their potable or non-potable (irrigation) water supply, to a customer who has experienced an increase in water consumption caused by a hidden leak or burst."</p>	A	1
107	Clause 18(2)	Clause 4.1.1	The licensee cannot recover an undercharged amount from a customer unless it is for water services provided in the 12-month period ending on the day	4	The auditor confirmed with the Accountant and by review of the LSW Communications Register that during the audit period, Lancelin South did not recover an undercharged amount from a customer.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
			on which the licensee informed the customer of the undercharging.		Lancelin South's "Customer Service Charter" states under the heading Payment. "If you are accidentally undercharged, the shortfall will be included in your next account."		
108	Clause 18(3)	Clause 4.1.1	An undercharged amount must be the subject of, and explained in, a special bill or a separate item in the next bill.	4	Refer obligation 107.	NP	NR
109	Clause 18(4)	Clause 4.1.1	Subject to subclauses 18(6), (7), (8) or (9), the licensee must not charge interest or late payment fees on an undercharged amount.	4	Refer obligation 107.	NP	NR
110	Clause 18(5)	Clause 4.1.1	The licensee must allow a customer to pay an undercharged amount by way of a repayment plan that has effect for the duration of the shorter of the specified periods starting on the day that the bill in subclause 18(3) is issued.	4	Refer obligation 107.	NP	NR
111A	Clause 19(2)	Clause 4.1.1	The licensee must, within 15 business days of becoming aware of an overcharge, credit the overcharged amount to the customer's account or send the customer a notice informing the customer of the overcharging and recommending options for how the overcharged amount may be refunded or credited to the customer's account.	4	The audit noted from the LSW Communications Register and the Accountant that during the audit period, there have been some overcharges due to the customer not notifying their change of address. The customers were advised by email and the customer was credited within 15 business days.	NP	1
112A	Clause 19(3)	Clause 4.1.1	If the licensee sends the customer an overcharging notice and receives instructions from the customer about the refunding or crediting of the overcharged amount, the licensee must refund the overcharged amount, or credit the overcharged amount to the customer's	4	Refer obligation 111A.	NP	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
			account within 15 business days of the licensee receiving the instructions.				
112B	Clause 19(4)	Clause 4.1.1	If instructions from the customer about the refunding or crediting of the overcharged amount are not received by the licensee by the end of the period of 10 business days starting on the day on which an overcharging notice is sent, the licensee must credit the overcharged amount to the customer's account before the end of the period of the next 15 business days.	4	Refer obligation 111A.	NP	1
112C	Clause 19(5)	Clause 4.1.1	The licensee must notify the customer immediately after crediting the overcharged amount to the customer's account under clause 19.	4	Refer obligation 111A.	NP	1
113	Clause 21(1)	Clause 4.1.1	The licensee must review a bill on the customer's request.	4	The audit noted from the LSW Communications Register and the Accountant that during the audit period, there have been some customer requests for bill reviews. All requests were reviewed and these were generally resolved within a day by email. Lancelin South's Form 11 - Billing Review Procedure is available on the website and has the procedure for the review of a bill on the customer's request.	A	1
113A	Clause 21(2) <i>From July 2024</i>	Clause 4.1.1	The licensee must inform the customer of the outcome of a review of the customer's bill as soon as practicable or otherwise less than 20 business days from the day the customer's request for review was received.	4	As per obligation 113.	A	1
113B	Clause 21(3)	Clause 4.1.1	If the licensee does not complete a review before the end of the 20 business days, the licensee must notify the	4	As per obligation 113, all bill review requests were resolved within 20 business days as confirmed by	A	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
	<i>From July 2024</i>		customer of the status of the review as soon as practicable after the end of that period.		the date closed in the LSW Communications Register.		
114	Clause 22(1)	Clause 4.1.1	The license must have a written procedure for the review of a bill on the customer's request.	4	Lancelin South's Form 11 - Billing Review Procedure, available on the website, has a procedure for the review of a bill on the customer's request.	A	1
115	Clause 22(2) and (4)	Clause 4.1.1	The review procedure in clause 22(1) must include the specified information and be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.	4	<p>Lancelin South's Form 11 - Billing Review Procedure, available on the website, includes appropriate references to:</p> <ul style="list-style-type: none"> • Water meter testing – Infield test and Water meter testing – Independent test (clause 20(3)(a)); • Review of Outcome – Undercharged bill and Overcharged bill (clause 20(3)(b); and • Appeals and Complaints (clause 20(3)(c)). <p>The GM, LSW that during the audit period, no customers requested a hard copy of the South's Form 11 - Billing Review Procedure.</p>	A	1
116	Clause 22(3)	Clause 4.1.1	The review procedure must state that the customer may but is not required to, use the licensee's complaints procedure mentioned in clause 46 before or instead of applying to the water services ombudsman or, if available, making an appeal from, or applying for a review of, the decision under regulations mentioned in section 222(2)(k) of the Act.	4	<p>Lancelin South's Form 11 - Billing Review Procedure includes appropriate references to the alternative complaints avenues available to customers following bill reviews.</p> <p>This obligation is stated in the Customer Service Charter.</p>	A	1
117	Clause 20(5)	Clause 4.1.1	The licensee must inform the customer of the outcome of a review of the customer's bill as soon as practicable or otherwise less than 15 business days	4	As per obligation 113, all bill review requests were resolved within 20 business days as confirmed by	A	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
	<i>To June 2024</i>		from the day the customer's request for review was received.		the date closed in the LSW Communications Register. Lancelin South's Form 11 - Billing Review Procedure is available on the website and has the procedure for the review of a bill on the customer's request.		
117A	Clause 20(1)	Clause 4.1.1	The licensee must notify each of its customers of any change to the amount or rate of a water service charge in accordance with the requirements in subclause 20(2).	4	The Accountant confirmed that, during the audit period, Lancelin South made no changes to the amount or rate of a water service charge.	NP	NR
118	Clause 24	Clause 4.1.1	The time set by the licensee for the payment of a bill must be after 14 days from when the bill is issued.	4	The audit reviewed a sample of 12 Lancelin South tax invoices issued during the audit period. These tax invoices show customers were given at least 21 days after tax invoices were issued for payment thereof. This obligation is stated in the Customer Service Charter.	A	1
119	Clause 25(1)	Clause 4.1.1	The licensee must allow a customer to pay a bill using any of the specified methods selected by the customer.	4	The audit reviewed a sample of 12 Lancelin South tax invoices issued during the audit period. These tax invoices provided customers with the following payment options: <ul style="list-style-type: none"> • Centrepay; • Internet (direct deposit and BPay); • Mail; and • Telephone contact number. The Regulatory Compliance Register acknowledges the obligation recorded in clause 24(1) of the Code of Conduct.	A	1
120	Clause 25(2)	Clause 4.1.1	The licensee must, when offering bill payment method options, inform the customer of the fees and charges (if any)	4	The Accountant confirmed that during the audit period, Lancelin South did not levy fees and charges for the different bill payment methods options	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
			associated with each bill payment method offered.		provided to customers. This was also confirmed by review of a sample of 12 invoices issued in the audit period.		
121	Clause 26	Clause 4.1.1	Before receiving a bill payment by direct debit the licensee must obtain the written or oral express consent of the customer or of an adult person nominated by the customer to give consent.	4	The auditor confirmed with the Accountant that, during the audit period, Lancelin South received bill payments by direct debit from some customers. Written consent was obtained from the customer via the Direct Debit Form. The Payment Platform requires a direct debit form to be completed with written consent from the customer.	A	1
122	Clause 27(1)	Clause 4.1.1	The licensee must accept payment in advance from a customer on a customer's request.	4	The Accountant confirmed that during the audit period, Lancelin South did not receive any customer request to pay in advance and there were none listed in the LSW Communications Register.	NP	NR
123	Clause 28	Clause 4.1.1	The licensee must on request and at no charge redirect a customer's bills because of the customer's absence or illness.	4	The Accountant confirmed that during the audit period, Lancelin South did not receive any customer request to redirect a customer's bills due to absence or illness and there were none listed in the LSW Communications Register.	NP	NR
123A	Clause 29(1) – (2) <i>From July 2024</i>	Clause 4.1.1	For each bill issued, the licensee must allow customers (all residential customers and the business customers who have notified the licensee that they are experiencing payment difficulties) to select one of the following options: <ul style="list-style-type: none"> Additional time to pay a bill or Choosing a payment plan for an amount owing by the customer to the licensee. 	4	The Accountant confirmed there have been some customers on payment plans or additional time to pay in the audit period and they were informed there were no fees or charges. The Customer Contract states that the customer can pay using any of the prescribed methods and there are no additional fees or charges. Also, the Form 11 - Billing Review Procedure on the website	A	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
124A	Clause 28(2) <i>To June 2024</i>	Clause 4.1.1	The licensee must advise a customer who has been assessed as experiencing payment difficulties that they have a right to pay the bill under a payment plan or other arrangement under which the customer is given more time to pay the bill or arrears, and the licensee must offer to enter into an appropriate plan or arrangement with the customer.	4	The Accountant confirmed that during the audit period, Lancelin South did receive one customer request to enter a payment plan and this was provided. The correspondence was sighted.	NP	1
124B	Clause 30(1)	Clause 4.1.1	When formulating a payment plan to assist a customer, the licensee must take the customer's capacity to pay any bill. In the case of a bill for usage, the licensee must also take into account how much water has been supplied or wastewater has been discharged in previous billing periods.	4	Refer obligation 124A. The payment plan took into account the water supply in previous periods.	NP	1
124C	Clause 28(4) <i>To June 2024</i>	Clause 4.1.1	The licensee must consider and decide whether or not the payment plan or other arrangement for a customer who has been assessed as experiencing payment difficulties should be interest-free, or fee-free, or both.	4	Refer obligation 124A. The payment plan was interest free.	NP	1
124D	Clause 30(4) <i>From July 2024</i>	Clause 4.1.1	If a customer accepts a payment plan, the licensee must provide the customer the specified information in writing within 5 business days of the customer accepting the payment plan, unless the customer has provided the specified information in the preceding 12 months.	4	The Accountant confirmed where a customer accepts a payment plan, the customer is provided with the specified information in an email within 5 business days. An example of correspondence was sighted.	NP	1
124E	Clause 30(6)	Clause 4.1.1	A licensee must, in relation to a residential customer for whom a payment plan is being considered, offer	4	The Accountant confirmed there was one customer on a payment plan with additional time to pay in the	NP	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
	<i>From July 2024</i>		the customer assistance to manage their bills for ongoing provision of services during the period of the payment plan.		audit period and they were informed there were no fees or charges.		
124F	Clause 30(7) <i>From July 2024</i>	Clause 4.1.1	A licensee must, in relation to a business customer, consider and decide whether or not a payment plan should be interest-free, fee-free or both.	4	As per obligation 124E. There were no payment plans for business customers in the audit period as there were no business customers.	NP	NR
124G	Clause 31(1) <i>From July 2024</i>	Clause 4.1.1	A licensee must review a payment plan at the request of a customer.	4	The Accountant confirmed that any requests to review a payment plan are considered, the prescribed information is provided to customers and any variations must be agreed with the customer. No customers have requested review of a payment plan or required further assistance under the Financial Hardship Policy. This obligation is documented in the Financial Hardship Policy.	NP	NR
124H	Clause 31(2) <i>From July 2024</i>	Clause 4.1.1	The licensee must offer to vary a payment plan if a review of the payment plan, under subclause 31(1), indicates that the customer is unable to meet the payment plan obligations.	4	As per obligation 124G.	NP	NR
124I	Clause 31(3) <i>From July 2024</i>	Clause 4.1.1	The licensee must, within 5 business days after the customer accepts an offer to vary the payment plan, provide the customer with information that clearly explains, and assists the customer to understand the variation.	4	As per obligation 124G.	NP	NR
124J	Clause 31(4) and (5)	Clause 4.1.1	A licensee must not vary a payment plan without the customer's agreement, where the agreement relates to the	4	As per obligation 124G.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
	<i>From July 2024</i>		particular variation rather than under a general agreement to future variations.				
125	Clause 32(1) and (2)	Clause 4.1.1 and Schedule 3, clause 1.1.1	The licensee must have a written policy in relation to financial hardship that is approved by the ERA.	4	Lancelin South has a Financial Hardship Policy that was revised in October 2023, and October 2024 for the Code of Conduct 2024. Both versions were approved by the ERA. The current Policy is published on the Lancelin South and ERA websites.	A	1
126A	Clause 32(3)	Clause 4.1.1	Unless the ERA approves otherwise, the licensee's financial hardship policy must comply with the ERA's guidelines (if any) in relation to financial hardship policies.	4	Refer obligation 125.	A	1
126B	Clause 32(4)	Clause 4.1.1	Unless the ERA approves otherwise, amendments to the licensee's financial hardship policy must be approved by the ERA and comply with the ERA's guidelines (if any) in relation to financial hardship policies.	4	Refer obligation 125.	A	1
127	Clause 32(5)	Clause 4.1.1	The licensee's financial hardship policy must be in effect within 6 months of the day of the grant of the licence.	4	Lancelin South's water services licence commenced on 10 March 2017. Lancelin South's Financial Hardship Policy was first issued in June 2016 which complies with this obligation.	A	1
128	Clause 32(6)	Clause 4.1.1	The licensee's financial hardship policy must be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.	4	Lancelin South's Financial Hardship Policy is available on the website. The GM, LSW confirmed that, during the audit period, no customers requested a hard copy of Lancelin South's Financial Hardship Policy.	A	1
129A	Clause 29(7) <i>To June 2024</i>	Clause 4.1.1	The licensee must review its financial hardship policy at least once in every 5-year period.	4	The Financial Hardship Policy was reviewed and updated in October 2024.	NP	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
129B	Clause 32(7)	Clause 4.1.1	The licensee must review its financial hardship policy if directed to do so by the ERA.	4	The GM, LSW confirmed that during the audit period, Lancelin South was directed by the ERA to review its financial hardship policy for the new Code of Conduct 2024. This was complied with.	NP	1
129C	Clause 32(8)	Clause 4.1.1	A licensee must consult with relevant consumer organisations whenever the licensee is developing a financial hardship policy or making a material amendment to its financial hardship policy.	4	Lancelin South made minor amendments to its financial hardship policy in October 2023, and in October 2024 to comply with the Code of Conduct 2024. These were not material amendments and did not constitute a review so consultation with relevant consumer organisations was not required.	NP	NR
130A	Clause 33(2)	Clause 4.1.1	The licensee must advise a residential customer who has been assessed by the licensee as experiencing financial hardship that they have a right to pay the bill under an interest-free and fee-free payment plan or other arrangement under which the customer is given more time to pay the bill or arrears, and the licensee must offer to enter into an appropriate plan or arrangement with the customer.	4	The auditor confirmed with GM, LSW and review of the LSW Communications Register that, during the audit period, Lancelin South did not assess any customer as experiencing financial hardship.	NP	NR
130B	Clause 33(3)	Clause 4.1.1	When formulating a payment plan or other arrangement for a residential customer assessed by the licensee as experiencing financial hardship, the licensee must take the customer's capacity to pay the bill into account. In the case of a bill for usage, the licensee must also take into account how much water has been supplied or wastewater has been discharged in previous billing periods.	4	Refer obligation 130A.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
131A	Clause 33(4)(a)	Clause 4.1.1	The licensee must consider reducing the amount owing by the customer.	4	Refer obligation 130A.	NP	NR
131B	Clause 33(4)(b)	Clause 4.1.1	The licensee must review, upon request, how a customer is paying a bill under subclauses 33(2) and (3) and revise the payment plan or arrangement if the review indicates the customer is unable to meet the obligations.	4	Refer obligation 130A.	NP	NR
131C	Clause 33(4)(c)	Clause 4.1.1	The licensee must provide the specified written information to a customer.	4	Refer obligation 130A.	NP	NR
133	Clause 34(4) and (5)	Clause 4.1.1	The licensee must have written information regarding the payment schemes and other assistance that is available to customers. The information must be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.	4	Lancelin South's Customer Service Charter on the website provides written assistance about the payment schemes and other assistance available to the customer. Also, the Financial Hardship Policy.	A	1
133A	Clause 35	Clause 4.1.1	The licensee must not charge interest or fees for late payment of a bill by a customer in the specified circumstances.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not charge interest or fees for late payment of a bill by a customer in the specified circumstances.	NP	NR
134	Clause 36(1)(a)-(c)	Clause 4.1.1	The licensee must not commence or continue proceedings to recover a debt from a customer if the customer is complying with a payment plan or other arrangement or is being assessed for financial hardship.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not commence or continue proceedings to recover a debt from a customer in the specified circumstances.	NP	NR
134A	Clause 36(1)(d)-(e)	Clause 4.1.1	The licensee must not commence or continue proceedings to recover a debt from a customer if a complaint made by the customer to the licensee or water	4	The GM, LSW confirmed that during the audit period, Lancelin South did not commence or continue	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
			services ombudsman, which directly relates to the water service charge to which the debt relates, is not resolved by the licensee (or is not determined or is upheld by the ombudsman).		proceedings to recover a debt from a customer in the specified circumstances.		
135	Clause 43(1)	Clause 4.1.1	If the licensee has cut off or reduced the rate of flow of water to land under section 95(1)(b) of the Act, the licensee must restore the supply of water if the amount owing is paid, or if the customer enters into a payment arrangement for the amount owing that is satisfactory to the licensee.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not cut off or reduce the rate of flow of water to land.	NP	NR
136	Clause 43(2)	Clause 4.1.1	If the licensee has, under section 95(1)(a), (c), (d) or (e) of the Act, cut off or reduced the flow of water, the licensee must restore the supply of water if the licensee is satisfied that the reason for the disconnection or reduction no longer applies.	4	Refer obligation 135.	NP	NR
137A	Clause 39(1)	Clause 4.1.1	The licensee must not start a water supply restriction unless the licensee has given the customer a reminder notice (that includes the information specified in clause 38), the water service charge has still not been paid in full, and the licensee has given the customer a restriction notice.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not apply any water supply restrictions for which restriction notices were required.	NP	NR
137B	Clause 39(2)	Clause 4.1.1	The licensee must not give a customer a restriction notice less than 7 days before the day on which the water supply restriction is proposed to start.	4	Refer obligation 137A.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
137C	Clause 39(3)	Clause 4.1.1	The restriction notice must include the specified information.	4	Refer obligation 137A.	NP	NR
138	Clause 40(1)(a) and (c) and (h) <i>Cl. 41(b)</i>	Clause 4.1.1	The licensee must not start a water supply restriction if any of the specified circumstances apply.	4	Refer obligation 137A.	NP	NR
138A	Clause 37(1)(f)-(g) <i>To June 2024</i>	Clause 4.1.1	The licensee must not start a water supply restriction if the specified circumstances apply.	4	Refer obligation 137A.	NP	NR
138B	Clause 41	Clause 4.1.1	The licensee must not start a water supply restriction on or during the specified times.	4	Refer obligation 137A.	NP	NR
139	Clause 42	Clause 4.1.1	The licensee must not, under section 95(1)(b) or (2) of the Act, reduce the rate of flow of water to a customer to below 2.3 litres each minute.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not cut off or reduce the rate of flow of water to land.	NP	NR
142	Clause 44(5)	Clause 4.1.1	The licensee (other than the Water Corporation) must restore a water supply to land within the specified timeframe, unless the licensee and customer expressly agree otherwise.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not cut off or reduce the rate of flow of water to land. Therefore, no restore of water was required.	NP	NR
144	Clause 44(6)	Clause 4.1.1	The licensee (other than the Water Corporation) must ensure that there is at least a 90% compliance rate with subclause 44(5) in any 12-month period ending on 30 June.	4	Refer obligation 142.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
144A	Clause 46(1)	Clause 4.1.1	The licensee must give notice of a planned service interruption to each customer that will be affected by the service interruption.	4	The GM, LSW confirmed that during the audit period, Lancelin South gave notice of planned service interruptions to customers via email. The audit sighted examples of emails sent to customers for planned service interruptions. This obligation is stated in the Customer Service Charter and the Maintenance Works Guidelines.	A	1
144B	Clause 46(2)	Clause 4.1.1	The notice of a planned service interruption must be given within the specified timeframes.	4	The audit confirmed that at least 48 hours' notice of planned service interruptions was given to customers by email. This obligation is stated in the Customer Service Charter and the Maintenance Works Guidelines.	A	1
144C	Clause 47(1)	Clause 4.1.1	The licensee must have policies, practices and procedures for dealing with and minimising the impact of a burst, leak or blockage in its water supply works or sewerage works.	4	Lancelin South's "Asset Management Plan" in section 4.4 entitled: "Asset Maintenance" mentions breakdowns and/or failures may require maintenance. There is also a detailed Asset Risk Register that includes actions re dealing with any bursts, leaks or blockages in the water supply or sewerage works. Lancelin South has as-constructed drawings of the drinking water, non-potable water and sewer pipelines. Lancelin South has a Maintenance Procedure that includes fortnightly checks for any leaks, bursts or blockages in the water supply and sewerage works and rectification actions. Lancelin South also has a Leak Allowance Procedure advising customers about claims for leakage.	A	1
144D	Clause 47(2)	Clause 4.1.1	The policies, practices and procedures under subclause 47(1) must deal with the specified matters.	4	Refer obligation 144C.	A	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
144E	Clause 48	Clause 4.1.1	The licensee must provide a 24 hour information line by means of which, at the cost of a local telephone call (excluding mobile telephones), a customer can notify the licensee of emergencies and faults, and get information about the reason for, and the expected duration of, any unplanned service interruption.	4	The website on its Home page includes a linkable section entitled: "Report a fault or a leak". Double clicking this section opens up a webpage with a local telephone number for "Urgent Calls". The sample of 12 Lancelin South tax invoices lists the number for "Faults & Emergencies (24/7)".	A	1
145	Clause 49(1)	Clause 4.1.1	The licensee must have a written complaints procedure in relation to investigating and dealing with complaints of customers about the provision of water services by the licensee or a failure by the licensee to provide a water service.	4	Lancelin South's Customer Complaints Procedure is available on the website. This procedure addresses investigating and dealing with customer complaints.	A	1
146	Clause 49(2)	Clause 4.1.1	The licensee's complaints procedure must be developed using as minimum standards the relevant provisions of AS 10002-2022 and the ERA's guidelines (if any).	4	The audit confirmed that since the previous audit, Lancelin South's Customer Complaints Procedure has been reviewed and updated in May 2023 to conform with the AS/NZS 10002-2022 Standard.	A	1
147	Clause 49(3)	Clause 4.1.1	The licensee's complaints procedure must provide for the matters specified in relation to lodgment of complaints, acknowledging complaints, responding to complaints and dispute resolution arrangements.	4	Lancelin South's Customer Complaints Procedure provides for: <ul style="list-style-type: none"> • Lodgement of complaint using several different communication avenues; • Responding to complaints; • Dispute resolution arrangements which include the Energy and Water Ombudsman Western Australia; and • Resolution of complaints within 15 business days of receipt. 	A	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
148A	Clause 49(4)	Clause 4.1.1	The licensee's complaints procedure must list the procedures available to the customer under the Act as to applying to the water services ombudsman or making an appeal from, or applying for a review of, the decision that gave rise to the complaint, if an appeal or review is available under regulations mentioned in section 222(2)(k).	4	Lancelin South's Customer Complaints Procedure provides for making an application to the Energy and Water Ombudsman Western Australia.	A	1
149	Clause 49(5)	Clause 4.1.1	The licensee's complaints procedure must be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.	4	Lancelin South's Customer Complaints Procedure is available on the website. The GM, LSW confirmed that during the audit period, Lancelin South did not receive any customer requests for a hard copy of its Customer Complaints Procedure. This was also confirmed by review of the LSE Communications Register.	A	1
149A	Clause 50	Clause 4.1.1	A licensee must inform the customer of the outcome of a complaint and, unless the customer has advised the licensee that the complaint has been resolved in a manner acceptable to the customer, provide information as specified in subclause 50(b).	4	Lancelin South's LSW Communications Register provides comprehensive details of its communication with customers regarding enquiries and complaints. From review of the Register, there was one customer complaint in the audit period re a concession that was resolved with the customer. This obligation is stated in the Customer Complaints Procedure.	A	1
150	Clause 51(1)	Clause 4.1.1	The licensee must provide a customer with the specified services <u>or documents</u> on request and at no charge.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not receive any customer requests for a large-print version of any of the licensee's publicly available documents. The audit reviewed a sample of 12 Lancelin South tax invoices issued during the audit period. These	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
					tax invoices provided customers with telephone numbers for the National Relay Services and Translation and Interpreter Service.		
152	Clause 51(2) and (3)	Clause 4.1.1	The licensee must make available to each customer, on request and at no charge, the customer's personal account information including information about bills previously issued to the customer and about the quantity of water supplied to, or wastewater discharged by, the customer in previous billing periods within 5 business days after the request is made.	4	The audit reviewed a sample of 12 Lancelin South tax invoices issued during the audit period. These tax invoices recorded personal account information. The GM, LSW and review of the LSW Communications Register confirmed that during the audit period, Lancelin South did not receive any customer requests for transactional history.	NP	NR
153	Clause 52(1)	Clause 4.1.1	The licensee must make the specified information publicly available.	4	The Lancelin South website includes the prescribed information in the following documents: <ul style="list-style-type: none"> • Form 4 - Residential Pricing & Charges" • Customer Service Charter • Financial Hardship Policy • Our Contact Details • Restricting and Restoring Your Water Flow Sustainable Use of Water.	A	1
154	Clause 52(2)	Clause 4.1.1	The licensee must ensure that the specified information about bills may be obtained from its website.	4	Lancelin South's website has information in compliance with clause 49(2) of the Code of Conduct, as follows: <ul style="list-style-type: none"> • Customer Service Charter" which includes: <ul style="list-style-type: none"> ○ Meter Reading: <ul style="list-style-type: none"> ○ Estimates and bills therefore disclosing the reason for and basis thereof (clause 49(2)(a)); and 	A	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
					<ul style="list-style-type: none"> ○ Meter readings and bills for periods different to the usual billing cycle (clause 49(2)(b)). Water meter testing – Infield test: <ul style="list-style-type: none"> ○ Meter testing, applicable fees and fees reimbursement (clause 49(2)(d)). • .Billing Enquiries Procedure (clause 49(2)(c) and (e); and • Customer Complaints Procedure (clause 49(2)(f)). 		
154A A	Clause 52(3) <i>From July 2024</i>	Clause 4.1.1	The licensee must ensure that the specified information about Part 9 may be obtained from its website.	4	<p>Part 9 of the Code of Conduct specifies the requirements for supply of water to persons with special requirements or needs.</p> <p>The GM, LSW confirmed there have been no request from customers re preserved supply.</p> <p>However, there is no information on the website about how to apply to be included on the Preserved Supply Register.</p> <p>Recommendation 1/2025</p> <p>a) <i>Information on how a customer can apply to be included on the Preserved Supply Register should be included on the website and have a link in the Establish an Account page.</i></p>	C	2
154A	Clause 52(4)	Clause 4.1.1	The licensee must ensure that its website contains a link to the current version of this code appearing on the WA legislation website.	4	The Lancelin South Water website has a link to the 2024 Code of Conduct on the home page.	NP	1
154B	Clause 54(2)	Clause 4.1.1	The licensee must maintain an up-to-date preserved supply register for the purposes of Part 9 of the Code if the	2	The auditor sighted the Preserved Supply Register and confirmed that it included the prescribed	NP	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
			licensee meets the criteria in clause 54(1). The register must record the prescribed information in clauses 54(2)(b) and 54(4).		information. There were no customers recorded for Lancelin South Water. The GM, LSW confirmed that there have been no requests to be included in the Register.		
154C C	Clause 54(3) <i>From July 2024</i>	Clause 4.1.1	The licensee must, within 5 business days after recording a person on the register, provide the specified information in writing to the person.	2	The auditor sighted the Preserved Supply Register and confirmed that it included the prescribed information. There were no customers recorded for Lancelin South Water. There is no procedure for requests from customers to be included on the Preserved Supply Register. Recommendation 1/2025. <i>b) There should be a documented procedure for Preserved Supply including customer requests, not restricting supply and providing customer notifications and review every 3 years.</i>	C	NR
154C	Clause 55	Clause 4.1.1	The licensee must not, under section 95(1)(b) of the Act, reduce the rate of flow of a supply of water to a supply address recorded on the preserved supply register.	2	Refer obligation 154B. There is no procedure for not restricting the rate of water flow for any customers included on the Preserved Supply Register. Refer recommendation 1/2025(b).	C	NR
154D	Clause 56	Clause 4.1.1	Despite clause 46(3), in the case of a service interruption that will affect a supply address recorded on the preserved supply register, the notice required by clause 46(1) must be given in the specified manner.	2	There is no procedure for giving notice re restricting the rate of water flow for any customers included on the Preserved Supply Register Refer recommendation 1/2025(b).	C	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
Other License conditions							
155	<i>Water Services Act</i> Section 12	Clause 4.2.1	The licensee must pay the applicable fees and charges in accordance with the Economic Regulation Authority (Licensing Funding) Regulation 2014.	4	The audit confirmed the fees were paid to the ERA by the due dates in the audit period. There were no non-compliances reported in the Annual Compliance Reports for 2022/23 or 2023/24. The Compliance Calendar includes the obligation recorded in clause 4.2.1 of WL47.	A	1
159	<i>Water Services Act</i> Section 12	Clause 4.1.2	The licensee must comply with a direction from the ERA in relation to a breach of applicable legislation.	4	The GM, LSW confirmed that during the audit period, Lancelin South did not receive any ERA direction in relation to a breach of applicable legislation.	NP	NR
160	<i>Water Services Act</i> Section 12	Clause 4.6.1	The licensee and any related body corporate must maintain accounting records that comply with standards issued by the Australian Accounting Standards Board or equivalent International Accounting Standards.	4	The auditor confirmed that Lancelin South's accounting records are maintained by a qualified external Accountant who maintains the accounting records that comply with Australian accounting standards. The company is non-reporting since there are unlikely to be any users who would rely on the general purpose financial statements. The auditor accepts the approach taken by Lancelin South in the preparation of its financial statements.	A	1
161	<i>Water Services Act</i> Section 12	Clause 5.2.1	The licensee must comply with any individual performance standards specified by the ERA.	4	The auditor reviewed performance datasheets for Lancelin South for 2022/23 and 2023/24 that recorded 25 connected properties and that pressure and flow met the performance standards in Schedule 2 of the Licence. No notification to ERA in respect of pressure and flow of supplied water outside of the standard pressure and flow range was required; and	A	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
					No restrictions were applied in accordance with the <i>Water Services Regulations 2013</i> to a potable water supply. The minimum supply flow of 20L/minute is included in Section 2.4.3 of the Asset Management Plan.		
162	<i>Water Services Act</i> Section 12	Clause 5.3.4	The licensee must cooperate with the independent expert and comply with the ERA's audit and review guidelines dealing with the operational audit.	4	Lancelin South cooperated with the auditor during the performance of this operational audit. This obligation is listed in the Lancelin South Reporting Info. Compliance Calendar.	A	1
163	<i>Water Services Act</i> Section 12	Clause 4.7.1(a), (b), (c)	The licensee must report to the ERA, in the manner specified, if a licensee is under external administration or there is a change in the circumstances upon which the licence was granted which may affect a licensee's ability to meet its obligations.	4	The GM, LSW confirmed that Lancelin South was not under external administration. The ERA was informed by letter dated 17 June 2022 of the change in ownership to VIMG WA Pty Ltd.	NP	NR
165	<i>Water Services Act</i> Section 12	Clause 4.8.1	The licensee must provide the ERA specified information relevant to the operation of the licence or the licensing scheme, or the performance of the ERA's function under the Act in the manner and form specified by the ERA.	4	The GM, LSW confirmed that during the audit period, Lancelin South provided the performance data and reports, compliance reports standing charges data as required by the ERA. This obligation is included in the Lancelin South Reporting Info. Compliance Calendar.	A	1
167	<i>Water Services Act</i> Section 12	Clause 4.8.2	The licensee must provide the ERA with the data required for performance reporting purposes that is specified in the Water, Sewerage and Irrigation Licence Performance Reporting Handbook, and the National Performance Framework that apply to the licensee.	4	The audit confirmed that Lancelin South's performance data for 2022/23 and 2023/24 were sent by email to ERA by the due dates. This obligation is included in the Lancelin South Reporting Info. Compliance Calendar.	A	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
168	<i>Water Services Act</i> Section 12	Clause 3.8.1 and 3.8.2	Subject to clause 3.8.3, the licensee must publish within the specified timeframe any information that the ERA has directed the licensee to publish under clause 3.8.1.	4	The GM, LSW confirmed that during the audit period, Lancelin South was not directed by the ERA to publish any information.	NP	NR
169	<i>Water Services Act</i> Section 12	Clause 3.7.1	Unless otherwise specified, all notices must be in writing.	4	Lancelin South gave notices in writing during the audit period. Numerous examples, as referred to throughout this Audit Report and in the procedures, were sighted to support this statement.	A	1
170A	<i>Water Services Act</i> Section 12	Clause 5.1.2(a) and (b)	The licensee must notify the ERA of the details of the asset management system within five business days from the later of: a) the commencement date; or the completion of construction of the licensee's water service works.	4	This audit and review confirms the ERA has been previously notified of the asset management system. This obligation is noted in the Asset Management Plan.	A	1
171	<i>Water Services Act</i> Section 12	Clause 5.1.3	The licensee must notify the ERA of any material change to the asset management system within 10 business days of the change.	4	This audit and review confirmed that Lancelin South has an asset management system in respect of the water service works. The asset management review confirmed there have been no major changes to the asset management system in the audit period. The Asset Management Plan acknowledges the obligations to report any material changes to the ERA.	A	NR
172	<i>Water Services Act</i> Section 12	Clause 5.1.7	The licensee must cooperate with the independent expert and comply with the ERA's audit and review guidelines dealing with the asset management system review.	4	Lancelin South cooperated with the reviewer during the performance of this asset management system review. This obligation is listed in the Lancelin South Reporting Info. Compliance Calendar.	A	1

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
172A	<i>Water Services Act</i> Section 12	Clause 6.1.1	If the ERA considers that one or more of a licensee's standard terms and conditions of service is no longer in the public interest, the ERA may direct the licensee: a) to amend: I. the standard term or condition of service; or II. the standard term or condition of service in accordance with a term proposed by the ERA; and a) to do so within a specified period.	4	The GM, LSW confirmed and by review of the correspondence with ERA listing, that during the period, Lancelin South did not receive any ERA direction regarding its standard terms and conditions of service.	NP	NR
172B	<i>Water Services Act</i> Section 12	Clause 6.1.2	The licensee must comply with a direction given to the licensee under clause 6.1.1.	4	Refer obligation 172A.	NP	NR
181	<i>Water Services Act</i> Section 12	Clause 6.3.1	If the licensee is appointed as the supplier of last resort for a designated area in relation to the provision of a particular water service, the licensee must perform the functions of a supplier of last resort, comply with the duties imposed by the Act and carry out its operations under or for the purpose of the last resort plan in accordance with the Act.	4	The auditor confirmed with the GM, LSW that during the audit period, Lancelin South was not a supplier of last resort for a designated area in relation to the provision of a particular water service.	NP	NR
182	<i>Water Services Act</i> Section 12	Clause 4.4.1(b)	If the licensee provides a water service outside of the operating area the licensee must apply to amend the licence unless otherwise notified by the ERA.	4	The GM, LSW and the site visit confirmed that no water services were provided outside of the operating area.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
184	<i>Water Services Act</i> Section 12	Clause 7.1.1	Where the licensee provides potable water, the licensee must enter into a Memorandum of Understanding with the Department of Health as soon as practicable after the commencement date or as otherwise agreed with Department of Health.	4	Lancelin South entered into a Memorandum of Understanding (MoU) with the Department of Health for drinking water in June 2020. The MoU (Binding Protocol 1) was updated in October 2022 for the change in ownership of Lancelin South and new contact details. The changes were confirmed in writing by the Department of Health.	A	1
185	<i>Water Services Act</i> Section 12	Clause 7.1.4	A Memorandum of Understanding must comply with the specified requirements in relation to legal standing of the document and compliance audits by the Department of Health.	4	The MoU has been accepted by the Department of Health's requirements as noted in obligation 184. The GM, LSW confirmed that during the audit period, Lancelin South was not subjected to compliance audits by the Department of Health.	A	1
186	<i>Water Services Act</i> Section 12	Clause 7.1.5	The licensee must comply with the terms of a Memorandum of Understanding.	4	The GM, LSW confirmed that during the audit period, Lancelin South complied with the terms of the Memorandum of Understanding.	A	1
187	<i>Water Services Act</i> Section 12	Clause 7.1.6	The licensee must publish in the form agreed with the Department of Health, a Memorandum of Understanding and any amendments to a Memorandum of Understanding within one month of signing or making the amendment. <i>(Potable water and sewerage services).</i>	4	Lancelin South's Memorandum of Understanding with the Department of Health for Drinking Water signed in June 2020 is available on the LSW website. The Binding Protocols are not published as these are considered to be confidential information and are not required to be published. There have been no changes to the main MoU that required publishing.	A	1
188	<i>Water Services Act</i> Section 12	Clause 7.1.7	The licensee must publish the audit report on compliance with its obligations under a Memorandum of Understanding on its website within one month of the completion of the audit or a frequency specified by the Department of Health.	4	The GM, LSW confirmed that during the audit period, Lancelin South was not subjected to compliance audits by the Department of Health.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
189	<i>Water Services Act</i> Section 12	Clause 7.1.8	The licensee must publish, in a form agreed with the Department of Health, any other reports required by the Department of Health or required by a Memorandum of Understanding on the licensee's website, at a reporting frequency specified by the Department of Health.	4	The LSW website includes the Water Quality Reports being: <ul style="list-style-type: none"> Quarterly reports from 03/2023 to 01/2025. Annual reports for 2022/23 and 2023/24. This obligation is included in the Lancelin South Reporting Info. Compliance Calendar.	A	1
190	<i>Water Services Act</i> Section 12 <i>To June 2024</i>	Schedule 2	The licensee must comply with the standards set out in Schedule 2 of the licence.	4	The auditor reviewed performance datasheets for Lancelin South for 2022/23 and 2023/24 that recorded 25 connected properties and that pressure and flow met the performance standards in Schedule 2 of the Licence. No restrictions were applied in accordance with the <i>Water Services Regulations 2013</i> to a potable water supply. The minimum supply flow of 20L/minute is included in Section 2.4.3 of the Asset Management Plan.	A	1
190A	<i>Water Services Act</i> Section 12 <i>From July 2024</i>	Schedule 2 Clause 1.1	The water service works provided by the licensee, for the purpose of water supply services, shall be designed, constructed, operated and maintained to provide continuity of pressure and flow for the services in accordance with the specified standards in Schedule 2.	4	As per obligation 190.	A	1
190B	<i>Water Services Act</i> Section 12 <i>From July 2024</i>	Schedule 2 Clause 1.2	The licensee must notify: <ul style="list-style-type: none"> new customers upon purchase of the affected property as soon as practicable; and existing customers at least annually, if the pressure and flow of the water supplied to the customer's property falls outside of the pressure and flow range 	4	As noted in obligation 190, the required pressure and flow has been maintained and is continuously monitored from the WTP and tested for all new connections. The GM, LSW confirmed that if they did detect issues with flow pressure, they would notify affected customers immediately by telephone, email or door knock.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
			standards specified in Schedule 2 clause 1.1.		Therefore, no notifications to customers of pressure and flow outside of the standard have been required in the audit period. There have been no customer complaints about the water services in the audit period.		
190C	<i>Water Services Act</i> Section 12 <i>From July 2024</i>	Schedule 2 Clause 1.3	The licensee must notify the ERA annually of any restrictions applied in accordance with the <i>Water Services Regulations 2013</i> to a potable water supply, detailing restrictions by scheme, type (severity), duration, start date and number of services affected	4	The auditor confirmed with GM, LSW that there have been no restrictions that required reporting to the ERA in the audit period.	NP	NR
Water Services Code of Practice (Family Violence) 2020⁷.							
191	Clause 5(1)	Clause 4.1.1	The Licensee must have a family violence policy that sets out the matters specified in clause 5(1).	4	Lancelin South has a Family Domestic Violence Policy that complies with the <i>Water Services Code of Practice (Family Violence) 2020</i> .	A	1
192	Clause 5(2)	Clause 4.1.1	The licensee must have a family violence policy before the end of the six- month period starting on either: 9 December 2020; or if the day of the grant of the licensee's licence is after 9 December 2020, the day of the grant of the licensee's licence.	4	Lancelin South has a Family Domestic Violence Policy.	A	1
193	Clause 6	Clause 4.1.1	A licensee must publish its family violence policy on its website and provide a hard copy of the policy to a customer on request and at no charge.	4	Lancelin South's Family Domestic Violence Policy is available on the website and the GM, LSW confirmed that a hardcopy is available to a customer upon request and at no charge.	B	1

⁷ This Water Services Code of Practice (Family Violence) 2020 applies the Code to a licensee that provides a water service to a residential customer. A "residential customer" in the Code means a customer who uses the place where a water service is provided, solely or primarily as the customer's dwelling

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
					The audit noted that the Family Domestic Violence Policy on the website is the 2021 version. There have been minor updates to the footer and web links. <i>An improvement is that the website should be updated for the 2023 version of the Family Domestic Violence Policy.</i>		
194	Clause 7	Clause 4.1.1	A licensee must review its family violence policy at least once in every 5 year period, and additionally, if directed to do so by the Minister.	4	The Family Domestic Violence Policy was reviewed and updated in February 2023 after the previous audit.	A	1
195	Clause 8(1)	Clause 4.1.1	A licensee must maintain adequate records in relation to compliance with this code or any policy made under the code.	4	The GM, LSW confirmed that during the audit period, Lancelin South was not approached by a customer regarding family violence. There is also no record in the LSW Communications Register.	NP	NR
196	Clause 8(2)	Clause 4.1.1	If the licensee is not a government organisation according to the <i>State Records Act 2000 (WA)</i> , a record that relates to a customer, must be retained for at least 7 years after the last communication between the licensee and the customer, or water services ombudsman. If the record does not relate to a customer, then the record must be kept for at least 7 years after the record is made.	4	Refer obligation 195.	NP	NR
197	Clause 9	Clause 4.1.1	When a customer affected by family violence first contacts a licensee about a particular matter relating to the family violence, the licensee must inform the customer of the existence and operation of the licensee's complaints procedure under clause 46 of the Water Services	4	Refer obligation 195.	NP	NR

No ³	Legislative Reference	Licence Condition	Description	Audit Priority ⁴	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁵	Compliance Rating ⁶
			Code of Conduct (Customer Service Standards) 2024.				
198	Clause 10	Clause 4.1.1	A licensee must ensure that its website contains a link that provides access to the current version of the code as it appears on the website that is maintained by or on behalf of the Western Australian Government and that provides public access to electronic versions of Western Australian legislation.	4	Lancelin South's Family Domestic Violence Policy on its website contains a link which provides access to the current version of the <i>Water Services Code of Practice (Family Violence) 2020</i> (as it appears on the Department of Justice – Government WA website).	A	1

3.7 Audit Recommendations

Table of Current Audit Non- Compliances and Recommendations			
A. Resolved during current audit period			
Recommendation (no./year)	Non-Compliance/Controls Improvement (Rating/Licence obligation ref. and obligation/Non-compliance or inadequacy of control)	Date Resolved (& management action taken)	Auditor's Comments
	Nil		
B. Unresolved at end of current audit period			
Recommendation (no./year)	Non-Compliance/Controls Improvement (Rating, Licence obligation ref. and obligation, Description of Non-compliance or inadequacy of control)	Auditor's Recommendation	Action taken by the licensee by end of audit period
1/2025	<p>Preserved Supply Register</p> <p>Rating: C2 (Controls: Inadequate controls – Significant improvement required/ Compliance: Non-compliant – Minor impact)</p> <p><i>Obligation 154AA - The licensee must ensure that the specified information about Part 9 may be obtained from its website. (from July 2024)</i></p> <p>Rating: C/NR (Controls: Inadequate controls – Significant improvement required/ Compliance: Not rated)</p> <p><i>Obligation 154CC - The licensee must, within 5 business days after recording a person on the register, provide the specified information in writing to the person. The licensee must, within 5 business days after recording a person on the register, provide the specified information in writing to the person.</i></p> <p><i>Obligation 154C - The licensee must not, under section 95(1)(b) of the Act, reduce the rate of flow of a supply of water to a supply address recorded on the preserved supply register.</i></p> <p><i>Obligation 154D - Despite clause 46(3), in the case of a service interruption that will affect a supply address recorded on the preserved supply register, the notice required by clause 46(1) must be given in the specified manner.</i></p>	<p>a) Information on how a customer can apply to be included on the Preserved Supply Register should be included on the website and have a link in the Establish an Account page.</p> <p>b) There should be a documented procedure for Preserved Supply including customer requests, not restricting supply and providing customer notifications and review every 3 years.</p>	Nil



B. Unresolved at end of current audit period			
Recommendation (no./year)	Non-Compliance/Controls Improvement (Rating, Licence obligation ref. and obligation, Description of Non-compliance or inadequacy of control)	Auditor's Recommendation	Action taken by the licensee by end of audit period
	<p>The auditor sighted the Preserved Supply Register and confirmed that it included the prescribed information. There were no customers recorded for Lancelin South Water.</p> <p>Part 9 of the Code of Conduct specifies the requirements for supply of water to persons with special requirements or needs. The GM, LSW confirmed there have been no requests from customers re preserved supply.</p> <p>However, there is no information on the website about how to apply to be included on the Preserved Supply Register.</p> <p>There is no procedure for requests from customers to be included on the Preserved Supply Register.</p> <p>There is no procedure for not restricting the rate of water flow for any customers included on the Preserved Supply Register.</p> <p>There is no procedure for giving notice re restricting the rate of water flow for any customers included on the Preserved Supply Register</p>		

4. Asset Management System Review

4.1 Description of Infrastructure

Lancelin South Pty Ltd ('Lancelin South Water') has a Water Services Licence (WL47), issued by the Economic Regulation Authority ('ERA') under the *Water Services Act 2012* ('Act'), for the provision of potable water supply, non-potable water supply and sewerage services in the estates of Lancelin South, located in the Shire of Gingin.

The assets are owned by VIMG (WA) Pty Ltd and operated by its subsidiary company, Lancelin South Pty Ltd. The assets include:

- Ground water production bore and two monitoring bores;
- Water Treatment plant, located on Lancelin Road, installed in 2012;
- Potable water conveyance pipeline approximately 1.6 km long between the water treatment plant and Lancelin South development;
- Potable water reticulation pipework around the Lancelin South residential estate, including hydrants and individual meters at each developed lot;
- Non-potable water conveyance pipeline approximately 1.6 km long between the water treatment plant and Lancelin South;
- Non-potable water reticulation pipework around the Lancelin South residential estate, including individual meters at each developed lot where requested;
- Gravity sewer reticulation system round the Lancelin South residential estate;
- Sewerage pump station, sewerage treatment plant and infiltration pond, installed in 2018; and
- Various equipment and spare parts to support the operation of Lancelin South Water.

There were 25 connected properties at 30 June 2024 and 29 connected properties in April 2025.

This audit and review covers the period since the previous audit and review being 1 April 2023 to 31 March 2025.

The audit and review approach is based on the compliance obligations set out in the Licence, applicable legislation, regulatory guidelines (Water Compliance Reporting Manual (October 2021 and July 2024) and in accordance with the ERA's 2019 Audit and Review Guidelines: Water Licences (updated August 2022).

4.2 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 auditor may perform a review of the asset management system at the lower level of scrutiny of a 'limited assurance engagement'. A limited assurance engagement is:

“An assurance engagement in which the assurance practitioner reduces engagement risk to a level that is acceptable in the circumstances of the engagement but where that risk is greater than for a reasonable assurance engagement as the basis for expressing a conclusion in a form that conveys whether, based on the procedures performed and evidence obtained, a matter(s) has come to the assurance practitioner's attention to cause the assurance practitioner to believe the subject matter information is materially misstated.”

The previous review to March 2023 concluded that through the execution of the Review Plan and assessment and testing of the control environment, the information system, control procedures and compliance attitude, the audit team members have gained reasonable assurance that Lancelin South Water has operated the scheme in a reliable manner and provided a good level of service to the residents of Lancelin South. The review found that Lancelin South Water has established an effective asset management system and an adequate control environment for ongoing compliance in respect of the asset management system.

Out of 12 components of the asset management system, 8 were rated as performing effectively and 4 components (asset planning, environmental analysis, asset operations and asset maintenance) were rated as opportunities for improvement. There were two recommended improvements relating to asset operations.

As the previous review did not identify any major deficiencies and there have been no material changes to the asset management system since the previous review, this was a limited assurance engagement.

The review sought to identify any areas where improvement is required and recommend corrective action as necessary. The review also reviewed the status of the previous 2023 review recommendations.

The highest priority asset components based on inherent risk were:

- Asset planning
- Environmental analysis
- Asset operations
- Asset maintenance
- Contingency Planning



4.3 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Process is not performed, or the performance is so poor that the process is considered to be ineffective.

4.4 Summary of Asset Management System Performance 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 4.5 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 Opportunity for improvement	3 Corrective action required	4 Some action required	Total
	A -Adequately defined	46	7	-	-	53
	B – Requires some improvement	1	2	2	-	5
	C – Requires significant improvement	-	-	-	-	-
	D – Inadequate	-	-	-	-	-
	Total	47	9	2	-	58

Asset Management System Performance Ratings

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 significant improvement	Inadequate	Performing effectively	Opportunity for improvement	Corrective action required	Serious action required	Not Rated
		A	B	C	D	1	2	3	4	NR
1. Asset planning		A					2			
1.1 Asset management plan covers the processes in this table.	2	✓				✓				
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	✓				✓				

ASSET MANAGEMENT SYSTEM COMPONENT & EFFECTIVENESS CRITERIA	Review Priority (Rated 1 = High to 5 = Low)	Process and Policy rating				Performance rating				
		Adequately defined	Requires some improvement	Requires significant improvement	Inadequate	Performing effectively	Opportunity for improvement	Corrective action required	Serious action required	Not Rated
		A	B	C	D	1	2	3	4	NR
1.5 Lifecycle costs of owning and operating assets are assessed.	4	✓					✓			
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		A				1				
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.	4	✓					✓			
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					2			
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 (Rated 1 = High to 5 = Low)	Process and Policy rating				Performance rating				
		Adequately defined	Requires some improvement	Requires significant improvement	Inadequate	Performing effectively	Opportunity for improvement	Corrective action required	Serious action required	Not Rated
		A	B	C	D	1	2	3	4	NR
4.3 Compliance with statutory and regulatory requirements.	4	✓				✓				
4.4 Achievement of service standards (customer service levels, etc) is measured and achieved.	4	✓					✓			
5. Asset operations		A					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.	3		✓				✓			
5.6 Staff resources are adequate and staff receive training commensurate with their responsibilities.	3	✓				✓				
6. Asset maintenance			B				2			
6.1 Maintenance policies and procedures are documented and linked to service levels required.	4		✓			✓				
6.2 Regular inspections are undertaken of asset performance and condition.	3	✓				✓				
6.3 Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule.	3	✓					✓			
6.4 Failures are analysed and operational/maintenance plans adjusted where necessary.	4		✓				✓			
6.5 Risk management is applied to prioritise maintenance tasks.	4		✓					✓		
6.6 Maintenance costs are measured and monitored.	4	✓				✓				

ASSET MANAGEMENT SYSTEM COMPONENT & EFFECTIVENESS CRITERIA	Review Priority (Rated 1 = High to 5 = Low)	Process and Policy rating				Performance rating				
		Adequately defined	Requires some improvement	Requires significant improvement	Inadequate	Performing effectively	Opportunity for improvement	Corrective action required	Serious 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.	4	✓	✓			✓				
8.2 Risks are documented in a risk register and treatment plans are implemented and monitored.	4	✓				✓				
8.3 Probability and consequences of asset failure are regularly assessed.	4		✓					✓		
9. Contingency planning		A				1				
9.1 Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.	2	✓				✓				
10. Financial planning		A				1				
10.1 The financial plan states the financial objectives and identifies strategies and actions to achieve those.	4	✓				✓				

ASSET MANAGEMENT SYSTEM COMPONENT & EFFECTIVENESS CRITERIA	Review Priority (Rated 1 = High to 5 = Low)	Process and Policy rating				Performance rating				
		Adequately defined	Requires some improvement	Requires significant improvement	Inadequate	Performing effectively	Opportunity for improvement	Corrective action required	Serious 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		A				1				
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		A				1				
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	✓				✓				

4.5 Status of Previous Review Recommendations

The previous review covered the period from 1 April 2021 to 31 March 2023 and was reported in June 2023. Recommendations from the previous review are listed in the following table together with the current status of action to address the recommendations.

Reference (no./year)	Previously Assessed Process and Policy Deficiency (Asset management Process, Rating, Details)	Previous Auditor's Recommendation and Action Taken	Date Resolved	Further action required
A. Resolved before end of previous review				
	Nil			
B. Resolved during current review period				
1/2023	<p>Asset Inspections</p> <p><i>Process: Asset Operations</i></p> <p><i>Criteria 5.1: Operational policies and procedures are documented and linked to service levels required.</i></p> <p>Rating: C2 (Process: Requires significant improvement/ Performance: Opportunity for Improvement)</p> <p>Operations arrangements are set out in section 4.3 of the AMP. Operating activities are undertaken by service providers engaged by Lancelin South. Tables 10 and 11 outline responsibilities of the service providers for operational aspects.</p> <p>The treatment and pumping processes are automated with alarms monitoring the operation being monitored by the nominated service providers.</p> <p>Operating tasks including site inspections are undertaken on a fortnightly basis by Urbaqua. A sample fortnightly report was provided. The report indicated a leak was continuing in the RO plant and clearing of weeds was required within the WTP compound, the firebreak and around the WWTP. The leak was observed inside the RO plant sea container while on site and the growth of weeds/vegetation within the treatment plant</p>	<p>a) The process for addressing issues raised from the fortnightly inspections needs to be reviewed to ensure tasks are actioned (who has responsibility for reviewing and actioning issues identified).</p> <p>b) The fortnightly report to be updated to reflect actual water quality targets at the treated water sample point.</p> <p>c) The control cabinets at the sewer pump station and the wastewater treatment should be secured with the keylocks.</p> <p>Status: Completed</p> <p><i>The Site Visit report form has been updated to:</i></p> <ul style="list-style-type: none"> • improve transfer of information; • reflect current target operating values; and • include checks for gate, door and cabinet locks <p><i>This review confirmed the Site Visit Form is completed fortnightly by the GM, LSW.</i></p> <p>d) The arrangements for inspection of the sewer pump station to be confirmed as part of the Biomax service agreement and the quarterly inspection included in the Biomax service reports.</p> <p>Status: Completed</p> <p><i>Inspections have now been assigned to a local plumbing company although the frequency needs to be formalised.</i></p>	<p>September 2023</p> <p>September 2023</p>	<p>Nil</p> <p>Nil</p>

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
	<p>compound and firebreak. Vegetation also needs clearing from around the wastewater pump station and in the wastewater infiltration basin. The process for addressing issues raised from the fortnightly inspections needs to be reviewed to ensure tasks are actioned (who has responsibility for reviewing and actioning issues identified).</p> <p>The fortnightly report also recorded water quality results from the treated water sample report and showed 4 results outside of the guideline range. Discussion indicated the chlorine target level had been adjusted to deliver a better chlorine level at the consumer sample point. All results at the consumer sample point were within range. It is recommended that the fortnightly report be updated to reflect actual water quality targets at the treated water sample point.</p> <p>During the site inspection, the control cabinet at the sewer pump station had the key attached to it. Also, the control cabinet at the wastewater treatment site was unlocked. Both of these should be secured.</p> <p>The extent of vegetation around the sewer pump station indicated it had been some time since this was inspected. The asset register indicates inspection of these pumps are part of the Biomax Service Agreement (3 monthly). The asset register also shows the expected asset life for the pumps as 3 years, with expected replacement due 02/2022. A sample Biomax service report dated 10/03/2023 does not mention the sewer pump station. It is recommended that arrangements for inspection of the sewer pump station be confirmed.</p> <p>The asset register shows much of the Biomax installation with an expected 5 year asset life with replacement expected in 2024. Inspection and revision of remaining service life should be undertaken.</p>			
2/2023	<p>Asset Register</p> <p><i>Process: Asset Operations</i></p>			Nil

Reference (no./year)	Previously Assessed Process and Policy Deficiency (Asset management Process, Rating, Details)	Previous Auditor's Recommendation and Action Taken	Date Resolved	Further action required
	<p><i>Criteria 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></p> <p>Rating: C2 (Process: Requires significant improvement/ Performance: Opportunity for Improvement)</p> <p>An asset register has been developed in an Excel spreadsheet.</p> <p>The potable and non-potable pipe lines are not included in the asset register. The gravity sewer lines and pressure main are not included in the asset register. Plans of the pipelines should also be identified in the asset register.</p> <p>Inspection intervals are shown in the asset register but there is no field for recording asset condition.</p> <p>During the inspection some filters were noted with a replacement date due labelled as 2019. The labelling system should either be removed or kept up to date. Some thought needs to be given to the usefulness of the detailed breakdown of the water treatment plant equipment in the asset register as it appears that current processes do not allow for replacement of equipment to be recorded. There are a number of items shown where the expected replacement date has passed (some in 2015 and 2018).</p>	<p>a) The asset register should include the potable and non-potable pipe lines and the gravity sewer lines and pressure main. Plans of the pipelines should also be identified in the asset register.</p> <p>b) The asset register should include a field for recording asset condition that is updated at least quarterly based on inspections.</p> <p>c) The asset register should include comments on assets that are overdue for replacement based on the replacement date in the register.</p> <p>Status: Completed</p> <p><i>The review confirmed the Asset Register has been updated to:</i></p> <ul style="list-style-type: none"> • Add potable, non-potable and sewage (gravity and pressure) pipelines, including valves and appurtenances, to the asset register • Link drawings / plans of pipelines to asset register • Include <ul style="list-style-type: none"> (i) Asset inspection (condition) records (ii) Asset maintenance records (iii) Due dates for inspection / maintenance (iv) Ability to easily identify inspections, maintenance and replacements that are due. 	September 2023	

4.6 Detailed Review Observations

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results ⁸ (including any potential improvements)	Process and Policy Rating ⁹	Performance Rating ¹⁰
1		ASSET PLANNING		A	2
1.1	2	Asset management plan covers the processes in this table.	<p>The reviewer was provided with the Lancelin South Pty Ltd Asset Management Plan (AMP) – Revision 4 (March 2025). The AMP was prepared by GHD Consultants on behalf of Lancelin South Pty Ltd.</p> <p>The AMP 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.</p> <p>The AMP states it will be reviewed during annual budget planning processes and amended to recognise any material changes in service levels and/or resources available to provide services resulting from budget decisions. The AMP also states it will be reviewed and updated approximately every two years to ensure it represents the current position of Lancelin South Pty Ltd. The AMP was extensively revised in February 2023 after the change in ownership of Lancelin South Pty Ltd to a subsidiary of VIMG in July 2022.</p>	A	1
1.2	4	Planning processes and objectives reflect the needs of all stakeholders and are integrated with business planning.	<p>The AMP states at 1.2 (Goals and Objectives) our goal in managing the infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost-effective manner for present and future consumers. Lancelin South lists what they see as the key elements of infrastructure asset management.</p> <p>A summary of services provided by Lancelin South is listed at 1.4.6 of the AMP which covers the operating and maintenance of assets and managing the services within the regulatory requirements.</p>	A	1

⁸ Note: As per the Audit and Review Guidelines, recommendations are included for criteria rated as process C or D and/or effectiveness of 3 or 4 in the following table. Recommendations for improvements at higher ratings are no longer required to be reported.

⁹ Process and Policy Rating – A=Adequately defined, B=Requires some improvement, C=Requires substantial improvement, D=Inadequate.

¹⁰ Performance Rating – 1=Performing effectively, 2=Improvement required, 3=Corrective action required, 4=Serious action required

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results ⁸ (including any potential improvements)	Process and Policy Rating ⁹	Performance Rating ¹⁰
			<p>The section on Stakeholders (section 1.5) has an internal focus and provides a description of the Key Stakeholder roles in Asset Management.</p> <p>The section on Customers and Expectations (2.1) states that Lancelin South Water will implement and maintain plans, systems and processes, and manage its assets to ensure that supply services are provided on a reliable basis.</p> <p>The section on Legislative Requirements (2.3) states the statutory requirements - legislation and guidelines.</p> <p>The content of the AMP reflects planning processes and objectives that address stakeholder needs.</p>		
1.3	4	Service levels are defined in the asset management plan.	<p>Service levels are defined in section 2.4 of the AMP. These address ground water abstraction, non-potable water, potable water and sewerage services.</p> <p>The target levels of service are reported as part of ERA, DoH and DWER reporting.</p>	A	1
1.4	4	Non-asset options (e.g., demand management) are considered.	Non-asset options are not currently discussed in the AMP as the current demands are well within the capacity of the existing water supply and sewerage systems.	A	1
1.5	4	Lifecycle costs of owning and operating assets are assessed.	<p>Section 5.4 of the AMP provides a high level 10-year Financial Plan from 2022 to 2031. The plan includes revenue (forecast to grow with lot sales/water consumption) and costs including operating expenses and asset replacement.</p> <p>Cost for additional asset development is assumed to be zero over this period with no new capital investment required for the forecast growth.</p> <p><i>An improvement is that the next revision of the AMP should incorporate a review of the actual operating, maintenance and renewal costs, as part of updating the Financial Plan.</i></p>	A	2
1.6	4	Funding options are evaluated.	As discussed in section 5.1 of the AMP (Funding Strategy) the cost of providing water and sewerage services exceeds the revenue generated. The AMP describes the arrangement that was in place for funding this shortfall.	A	1

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results ⁸ (including any potential improvements)	Process and Policy Rating ⁹	Performance Rating ¹⁰
1.7	4	Costs are justified and cost drivers identified.	The understanding of costs is demonstrated in the Financial Plan, however with the experience gained in providing the services over the past 5 years (since the operation of assets have become more routine following initial establishment) it is expected that an updated AMP will be based on more information about the cost drivers.	A	1
1.8	4	Likelihood and consequences of asset failure are predicted.	Section 3.3 Risk of the AMP (3.3.1 Risk Identification) defines the likelihood and consequence criteria and the risk matrix used. Critical assets are also defined. The risk assessment is completed in a spreadsheet. This was provided and included the most recent update in March 2023. The risk assessment is planned to be updated at least every 2 years. There have been no major changes to the scheme or services in the audit period that would affect the risks. <i>An improvement is that the Risk Assessment Worksheet is due for review, including the risks with the proposed upgrades of the infrastructure in the next 2 to 3 years.</i>	A	2
1.9	4	Asset management plan is regularly reviewed and updated.	The Asset Management Plan is currently at revision 4 and was reviewed in February 2023 and March 2025. The AMP is proposed to be reviewed approximately every 2 years, so the next review is due by March 2027. It should include updates as noted in the effectiveness criteria above.	A	1
2		ASSET CREATION / ACQUISITION		A	1
2.1	4	Full project evaluations are undertaken for new assets, including comparative assessment of non-asset solutions.	Section 4.2 of the AMP (Asset Creation/Acquisition/Upgrade) describes the approach to identifying and evaluating need for new assets. The GM, LSW and the site visit confirmed that no new assets have been constructed or acquired within the audit period.	A	1
2.2	4	Evaluations include all life-cycle costs.	Section 4.2 of the AMP indicates capital cost and variation to operating costs are part of the assessment required for new assets.	A	1

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results ⁸ (including any potential improvements)	Process and Policy Rating ⁹	Performance Rating ¹⁰
2.3	4	Projects reflect sound engineering and business decisions.	Section 4.2 of the AMP indicates Lancelin South Pty Ltd rely on technical consultants to advise on need, viability and priority of proposed asset changes, with approval to act provided by a Director of Lancelin South Pty Ltd.	A	1
2.4	4	Commissioning tests are documented and completed.	As no new assets have been created during the audit period, there has been no opportunity for commissioning tests. The AMP does not specifically refer to commissioning, describing a reliance on technical consultants under direction from the Owner, to implement new assets in a manner appropriate to the asset.	A	1
2.5	4	Ongoing legal/environmental /safety obligations of the asset owner are assigned and understood.	<p>The AMP references the ERA water services licence, DWER groundwater licence, Australian Drinking Water Guidelines (2011), Department of Health MoU and Australian Guidelines for Water Recycling: Managing Health and Environmental Risks (2006) for the requirements for collection, treatment and disposal of sewerage.</p> <p>Section 2.3 of the AMP also lists legislative requirements relevant to Lancelin South Water operations. A range of obligations related to these requirements are included in section 2.4 (Levels of Service) and assigned as performance indicators.</p> <p>Job safety is referred to in section 3.3.4 of the AMP (within the section on Risk). Safety documents referenced as part of the AMP include Emergency Response Plan, Health and Safety Guideline, WTP Hazardous Substances Risk Assessment and Material Safety Data Sheets.</p> <p><i>An improvement is that in section 2.3 of the AMP - it should be clarified in an update to the AMP that as of January 2022 the relevant version of the ADWG is ADWG 2011 v3.7 (January 2022) and the relevant version of the Government Sewerage Policy is 2019.</i></p> <p><i>It should be confirmed that the location of the Lancelin South Water Reserve is incorporated into the Shire of Gingin's Local Planning Scheme (listed as recommendation 2 in the Lancelin South Water Reserve Drinking Water Source Protection Plan). A plan could not be located showing the location of the water reserve. The Drinking Water Source Protection Plan (2020) linked to the Lancelin South Water website does not include a site plan.</i></p>	A	2

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results ⁸ (including any potential improvements)	Process and Policy Rating ⁹	Performance Rating ¹⁰
3		ASSET DISPOSAL		A	1
3.1	4	Under-utilised and under-performing assets are identified as part of a regular systematic review process.	The general approach to review and replacement of assets is set out in Section 4.2.2 of the AMP (Renewal/Replacement). The Asset Register also identifies inspection frequencies and which items of equipment are intended for run to failure before replacement occurs.	A	1
3.2	4	The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken.	Technical consultants engaged by Lancelin South review regular inspection and monitoring information (including water quality testing) and advise Lancelin South with recommended actions. The GM, LSW and the site visit confirmed that no assets have been disposed of, other than replacement of some mechanical and electrical components at end-of-life.	A	1
3.3	4	Disposal alternatives are evaluated.	Asset disposal is discussed at section 4.5 of the AMP. The focus of the Asset Disposal section is the approach beyond 2040 when the assets may be disposed of and replaced.	A	1
3.4	4	There is a replacement strategy for assets.	The approach to replacement of assets is set out in Section 4.2.2 (Renewal/Replacement). Expected asset lives are assigned against each item of equipment in the asset register. The stated intention is to assess asset condition as they approach the expected asset life. The Asset Register also identifies items allowed to run to failure before replacement.	A	1
4		ENVIRONMENTAL ANALYSIS		A	2
4.1	2	Opportunities and threats in the system environment are assessed.	Opportunities and threats are considered as part of the asset risk assessment process detailed in the AMP (Section 3.2 Environment and Section 3.3 Risk).	A	1
4.2	4	Performance standards (availability of service, capacity, continuity, emergency response, etc.) are measured and achieved.	Quarterly and annual reports submitted to the ERA, DWER and DOH indicate regulated performance standards achievement with the exception of chlorine levels. The water supplied by Lancelin South Water is chlorinated beyond the ADWG aesthetic value of 0.6 mg/L to ensure the microbiological safety of the water through the reticulation system and to the customer. This often results in	A	2

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results ⁸ (including any potential improvements)	Process and Policy Rating ⁹	Performance Rating ¹⁰
			water supplied to customers having chlorine concentration greater than the ADWG aesthetic value (0.6 mg/L). Other than chlorine, the water supplied by Lancelin South Water is fully compliant with the ADWG and the MoU with the DoH.		
4.3	4	Compliance with statutory and regulatory requirements.	Quarterly and annual reports submitted to the ERA, DWER and DOH indicate regulated performance standards achievement.. The Annual Groundwater Compliance Reports prepared by GHD confirmed that the Australian Drinking Water Guidelines (2011) (ADWG) were complied with. There were some parameters that exceeded the ADWG aesthetic values including chlorine and total hardness.	A	2
4.4	4	Achievement of service standards (customer service levels, etc) is measured and achieved.	Level of service performance targets are listed in Tables 3, 4 and 5 of the AMP. Most of these measures are reported separately to DWER, ERA and DoH. The review confirmed the service levels have been achieved.	A	1
5		ASSET OPERATIONS		A	2
5.1	2	Operational policies and procedures are documented and linked to service levels required.	The responsibilities for routine operation functions by Lancelin South Water and its service providers are summarised in the AMP (section 4.3 Operations). A fortnightly Field Report Tracker is maintained which records completion of the regular inspection and monitoring tasks undertaken. The Lancelin South Water General Manager reviews these reports and decides on any actions required to address monitoring results and comments. The report appears to be well used with various issues noted for attention over the past year (e.g. leaks, weed clearing, break-in to compound, alarms reported). A detailed Operations Manual was provided for operation of the Water Treatment Plant. While the plant operation is normally automated and specialist service providers attend the plant regularly, the Manual provides a reference should less routine operations or change of service providers be required.	A	2

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results ⁸ (including any potential improvements)	Process and Policy Rating ⁹	Performance Rating ¹⁰
			<p>Other relevant operations documents include procedures about the response to bursts, leaks and blockages, a decontamination procedure (which applies to the wastewater system and any spills or disposal of equipment) and emergency response plans which consider events such as asset failures, fire and water quality.</p> <p>The Asset Risk Register also captures where operating activities are part of the risk treatment mitigations.</p> <p>The recommendations relating to Asset Operations made at the previous review have been implemented. Inspection of the sewer pump station is listed in the asset register as occurring quarterly as part of the Biomax service contract, however no mention is made of the pump station inspection in the Biomax service reports. Some basic observations of the pump station have been included in the fortnightly Field Report Tracker.</p> <p>The sewer pump station is to be replaced by a new pump station at a different location as part of works in progress to develop further lots.</p> <p><i>An opportunity for improvement is to clarify the quarterly inspection of the pump station.</i></p>		
5.2	4	Risk management is applied to prioritise operations tasks.	A risk assessment of the water and sewerage services has been completed in 2023. Existing controls for a number of the risks are operating activities – typically monitoring and inspection tasks. The operating procedures developed for responding to bursts, sewer overflows and emergency responses are also relevant risk mitigations.	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' physical/structural condition and accounting data.	<p>The asset register has been more fully developed since the previous review addressing the recommendations made.</p> <p>The water and sewer pipes have been included, together with reference to drawings, date of installation and life expectancy. A record of condition assessments is also included and any impact on the remaining asset life. Installation date, asset life and maintenance frequency fields is still to be completed for some items.</p> <p>During the inspection some minor leakage was noted at 2 locations within the water treatment plant site. The eye wash station was not operating reliably,</p>	A	2

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results ⁸ (including any potential improvements)	Process and Policy Rating ⁹	Performance Rating ¹⁰
			<p>which had already been reported. A filter had recently been replaced in response to an increase detection in the treated water turbidity. General plans for future expansion of the water treatment plant were also discussed as these related to decisions on the existing assets.</p> <p>Issues of illegal access to the water treatment plant compound and spraying of graffiti on the tank were discussed. Increased security in the form of tamper tags had been introduced on the treated water tank access hatch to verify access to the treated water has not occurred and that water safety is maintained.</p> <p><i>Other potential security measures such as CCTV were also discussed.</i></p>		
5.4	4	Accounting data is documented for assets.	<p>Lancelin South Pty Ltd utilise an accounting consultant (Armada Accountants) to perform financial management, including developing depreciation schedules for assets. Cost and life cycle information for all new assets are provided to the accounting consultant. The accounting consultant is responsible for the 5.3 Accounting and Financial Systems including billing, accounts payable, accounts receivable, banking, general accounting functions and reporting in accordance with appropriate Australian Accounting Standards.</p> <p>This includes maintaining an asset register showing individual asset cost and depreciation.</p>	A	1
5.5	3	Operational costs are measured and monitored.	<p>The AMP only provides an operating expense forecast as part of the 10 year financial plan. There is no breakdown or discussion of monitoring actual operating cost.</p> <p><i>An improvement is to include in the AMP a description of how the actual operating costs are monitored against budget.</i></p>	B	2
5.6	3	Staff resources are adequate and staff receive training commensurate with their responsibilities.	<p>Since the previous review a person with considerable experience in the water industry has been appointed to the role of General Manager for Lancelin South Water. This role assists in providing assurance of overall delivery with the range of service providers engaged by Lancelin South Water, which was an opportunity identified by the previous review.</p> <p>The service providers engaged provide regular operating and maintenance activities and include plumbers, electricians, specialist companies servicing water and wastewater treatment facilities and an engineering consultancy that</p>	A	1

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results ⁸ (including any potential improvements)	Process and Policy Rating ⁹	Performance Rating ¹⁰
			undertakes the fortnightly inspection and water sampling activities. The responsibilities of each of these service providers are outlined in the AMP and as an attachment to the Asset Register where maintenance activities are recorded. The resources involved are appropriate for the services provided.		
6		ASSET MAINTENANCE		B	2
6.1	4	Maintenance policies and procedures are documented and linked to service levels required.	<p>Lancelin South Water provided the following documents about maintenance:</p> <ul style="list-style-type: none"> • Maintenance Policy • Maintenance Procedures • Maintenance Works Guideline • Maintenance Schedule <p>The policy states the obligations of Lancelin South to maintain the assets to minimise the risk of harm to staff, residents and visitors and has a responsibility to stakeholders to maximise service life and minimise life cycle costs. The policy also states a risk assessment of the water system assets will be undertaken and annually reviewed, to focus maintenance strategies on assets at highest risk of failure.</p> <p>The maintenance procedures include the regular checks and maintenance activities required and the responsible resource.</p> <p>The maintenance works guideline sets out the need to undertake maintenance activities in a safe manner, compliant with regulations and minimises disruption to customers and impact on the environment.</p> <p><i>The maintenance schedule appears to be a more detailed schedule of maintenance requirements and frequency (than included in the maintenance procedure) but is not yet complete. A minor update is required to reflect Pentium Water is now undertaking the role Urbaqua previously provided.</i></p>	B	2

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results ⁸ (including any potential improvements)	Process and Policy Rating ⁹	Performance Rating ¹⁰
6.2	3	Regular inspections are undertaken of asset performance and condition.	<p>Regular inspections are undertaken as evidenced by completion of the fortnightly Field Report Tracker and the maintenance/service reports for the Water Treatment Plant and Wastewater Treatment Plant.</p> <p>An improvement implemented since the previous review is the inclusion in the Asset Register of the last inspection date and any impact on remaining service life from the inspection.</p>	A	1
6.3	3	Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule.	<p>The Asset Register includes dates of the most recent asset inspections. Samples of the maintenance/service records for the water treatment plant and sewerage treatment plant were also reviewed.</p> <p><i>Documented records of the inspection and maintenance works completed by the plumbing contractor are yet to be recorded. This is planned to occur by June 2025.</i></p>	A	2
6.4	4	Failures are analysed and operational/maintenance plans adjusted where necessary.	<p>Lancelin South Water has engaged technical consultants and maintenance contractors to respond and advise on any failures.</p> <p>An incident occurred in November 2024 with a construction contractor excavating the sewer pressure and power cable between the sewer pump station and the wastewater treatment plant. The contractor reported the issue (incident report document provided) and arranged repairs to the pressure main. As a small sewer spill occurred, the incident was correctly reported to the Department of Health (a copy of the DoH notification and DoH reply was provided).</p> <p>The power cable to the treatment plant was not repaired as it is intended to replace the pump station at an alternative site as part of the works involved in creating new lots. On a cost basis, a temporary generator has been used to provide power to the wastewater treatment plant. This was wired incorrectly which lead to incorrect operation of the treatment plant until noticed when the plant service was carried out. The power issue was resolved in conjunction with the contractor when the issue was identified.</p> <p>It was also identified that the existing sewer pump station water level has been operating at a higher level than designed. Engagement of the plumbing contractor has identified excess non-soluble material within the sewers has been the cause and works have been carried out to clear the material and</p>	B	2

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results ⁸ (including any potential improvements)	Process and Policy Rating ⁹	Performance Rating ¹⁰
			<p>remind customers to dispose only the permitted substances to the sewer system.</p> <p>These are examples of how issues have been responded to. No impact to customers resulted from these issues.</p> <p><i>The issues have been handled reasonably well but there are opportunities for review in improving proactive inspection and maintenance.</i></p>		
6.5	4	Risk management is applied to prioritise maintenance tasks.	<p>The Maintenance Policy document states a risk assessment of the water system assets will be undertaken and annually reviewed, to focus maintenance strategies on assets at highest risk of failure. The asset risk assessment was last updated in March 2023, and prior to that in 2021 and 2019.</p> <p>A 2 yearly revision of the risks is suggested as adequate unless there are significant changes made. There have been no major changes to the scheme or services in the audit period that would affect the risks.</p> <p>Recommendation 2/2025</p> <p><i>The asset risk assessment should be reviewed as soon as possible and then at least every 2 years or if major changes occur in the assets or services. The Maintenance Policy should be updated for this requirement.</i></p>	B	3
6.6	4	Maintenance costs are measured and monitored.	The AMP only provides an operating (and maintenance) expense forecast as part of the 10 year financial plan. Repairs and maintenance costs are recorded in the monthly Financial Statement for Lancelin South.	A	1
7		ASSET MANAGEMENT INFORMATION SYSTEM		A	1
7.1	4	Adequate system documentation for users and IT operators.	<p>The consultants (Pentium Water) record and distributes water meter readings, flows through the WTP and WWTP etc. They also complete asset inspections, water sampling and arranges tests.</p> <p>Water meter readings are forwarded to Lancelin South's accountants (Armada) which prepares and forwards accounts to lot owners, receives and records</p>	A	1

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results ⁸ (including any potential improvements)	Process and Policy Rating ⁹	Performance Rating ¹⁰
			<p>payments. Armada uses the Utility software to prepare invoices, record payments and water consumption etc.</p> <p>Pentium Water forwards details of WTP and WWTP flow readings and results of water quality tests to GHD - LSPL's consulting engineers.</p> <p>GHD records data in Excel spreadsheets and prepares subsequent performance reports to ERA, DWER and DOH. Based on the above data, GHD also provides the VIMG/Lancelin South Board with relevant operations/maintenance and asset condition/performance reports.</p> <p>The above procedures, and documentation appear to function well and are considered adequate for management of the current state of the residential development.</p>		
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 system and checks by the user when entering manually completed work order requests and updates. Considered adequate.	A	1
7.3	4	Logical security access controls appear adequate, such as passwords.	Access to all systems have restricted user access and require passwords that are regularly changed.	A	1
7.4	4	Physical security access controls appear adequate.	Security systems of VIMG Directors and their consultants, include servers located in a locked area and offices closed and locked after business hours.	A	1
7.5	4	Data backup procedures appear adequate and backups are tested.	<p>Hourly backups are performed via Armada's IT consultant using Shadow Protect software. A direct copy is made of the main disk and transferred to external storage disks. The software validates backups and facilitates recovery of data.</p> <p>GHD's Australian IT department provides backup of Lancelin South data, validation and recovery.</p>	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

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results ⁸ (including any potential improvements)	Process and Policy Rating ⁹	Performance Rating ¹⁰
7.7	4	Management reports appear adequate for the licensee to monitor licence obligations.	The review confirmed that reports to management including Lancelin South's consultants generally provide adequate information and data regarding compliance obligations and financial performance.	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 have restricted user access and require passwords that are regularly changed. Security systems of VIMG Directors and their consultants, include servers located in a locked area and offices closed and locked after business hours.	A	1
8		RISK MANAGEMENT		A	1
8.1	4	Risk management policies and procedures exist and are being applied to minimise internal and external risks.	Section 3.3 of the AMP outlines Lancelin South's approach to risk assessment including descriptions of the approach to assessing risks i.e., the likelihood of occurrence of risks is identified and their consequences. Following an assessment of risks, assets critical to the system are identified for the ground water extraction, potable water, non-potable water and sewerage systems.	A	1
8.2	4	Risks are documented in a risk register and treatment plans are implemented and monitored.	Section 3.3 of the AMP (Risk Identification) defines the likelihood and consequence criteria and the risk matrix used. Critical assets are also defined. The risk assessment is completed in a spreadsheet. This was provided and included the most recent update in March 2023.	A	1
8.3	4	Probability and consequences of asset failure are regularly assessed.	Section 3.3 Risk of the AMP (3.3.1 Risk Identification) defines the likelihood and consequence criteria and the risk matrix used. Critical assets are also defined. Existing controls for a number of the risks are operating activities – typically monitoring and inspection tasks. The risk assessment is completed in a spreadsheet. This was provided and included the most recent update in March 2023. The risk assessment is planned to be updated at least every 2 years. There have been no major changes to the scheme or services in the audit period that would affect the risks.	B	3

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results ⁸ (including any potential improvements)	Process and Policy Rating ⁹	Performance Rating ¹⁰
			Recommendation 2/2025 <i>The asset risk assessment should be reviewed as soon as possible and then at least every 2 years or if major changes occur in the assets or services. The Maintenance Policy should be updated for this requirement.</i>		
9		CONTINGENCY PLANNING		A	1
9.1	2	Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.	<p>Section 3.6 of the AMP outlines the response that will be provided by the Shire of Gingin to emergencies associated with hazardous materials. The AMP also refers to an Emergency Response Plan (ERP) which was provided to the reviewer and is considered adequate. The ERP is separate to the AMP to:</p> <ul style="list-style-type: none"> • Makes the ERP more accessible • Maintains document size more manageable • Maintains ease of updating. <p>The Plan includes a requirement for annual testing and was reviewed and updated in May 2023 and July 2024. The audit sighted incident scenario tests in June 2023 and May 2024 that included employees, contractors and in 2024 the Department of Health. The results of the incident scenario tests were documented and any action followed up.</p>	A	1
10		FINANCIAL PLANNING		A	1
10.1	4	The financial plan states the financial objectives and strategies and actions to achieve the objectives.	<p>Section 5.4 of the AMP provides a high level 10-year Financial Plan from 2022 to 2031. The plan includes revenue (forecast to grow with lot sales/water consumption) and costs including operating expenses and asset replacement. Cost for additional asset development is assumed to be zero over this period with no new capital investment required for the forecast growth. This will need to be revised given the discussions held about additional capacity needed for future stages of the development.</p>	A	1
10.2	4	The financial plan identifies the source of funds for capital	<p>The reviewer noted that expenditure is estimated to exceed income over the period and that VIMG will continue to provide finance. The above approach is considered reasonable under the circumstances.</p>	A	1

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results ⁸ (including any potential improvements)	Process and Policy Rating ⁹	Performance Rating ¹⁰
		expenditure and recurrent costs.			
10.3	4	The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets).	Refer section 10.1 above.	A	1
10.4	3	The financial plan provides firm predictions on income for the next five years and reasonable indicative predictions beyond this period.	Refer section 10.1 above.	A	1
10.5	4	The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services.	Refer section 10.1 above.	A	1
10.6	4	Significant variances in actual/budget income and expenses are identified and corrective action taken where necessary.	Income and expenses are monitored monthly and significant variances are noted and appropriate action taken. The monthly Financial Statements were sighted.	A	1
11		CAPITAL EXPENDITURE PLANNING		A	1
11.1	3	There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates.	Item 4.2.2 of the AMP discusses asset renewal and replacement, including a table of the expected life of existing assets. In general, no assets are due for replacement. A small allowance for capital expenditure has been included in the estimates provided. The amount entered is not based on specific acquisitions - as the existing assets are relatively new and their design performance levels exceed	A	1

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results ⁸ (including any potential improvements)	Process and Policy Rating ⁹	Performance Rating ¹⁰
			current demand requirements. Also, twelve months horizon does not invoke planned capital expenditure.		
11.2	4	The plan provides reasons for capital expenditure and timing of expenditure.	Refer section 11.1 above.	A	1
11.3	4	The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan.	Refer section 11.1 above.	A	1
11.4	4	There is an adequate process to ensure that the capital expenditure plan is regularly updated and actioned.	The performance of assets is continuously reviewed by Lancelin South's consulting engineers. The need for age, condition, or performance-based replacement is reviewed in accordance with the criteria and approval procedures set out in Section 4 of the AMP.	A	1
12		REVIEW OF ASSET MANAGEMENT SYSTEM		A	1
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.	<p>Section 6.3 of the AMP states "the Asset Management Plan and associated documents will be reviewed during annual budget planning processes and amended to recognise any material changes in service levels and/or resources available to provide those services as a result of budget decisions.</p> <p>The Asset Management Plan will be reviewed and updated at least every two (2) years to ensure it represents the current position of Lancelin South Pty Ltd".</p> <p>The Asset Management Plan is currently at revision 4 and was reviewed in February 2023 and March 2025.</p> <p>The AMP is proposed to be reviewed approximately every 2 years, so the next review is due by March 2027. It should include updates as noted in the effectiveness criteria above.</p>	A	1

Item no.	Review Priority (1 High to 5 Low)	Component and Effectiveness Criteria (refer criteria in Audit Guidelines)	Observations and results ⁸ (including any potential improvements)	Process and Policy Rating ⁹	Performance Rating ¹⁰
12.2	4	Independent reviews (e.g., internal audit) are performed of the asset management system.	The previous asset management system review was completed in June 2023 and every 2 years as required by the ERA.	A	1

4.7 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/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/Ratings/Details)	Auditor's Recommendation	Management Action taken by end of audit period
2/2025	<p>Asset Maintenance <i>Risk management is applied to prioritise maintenance tasks.</i> Rating: B3 (corrective action required with processes that require some improvement).</p> <p>The Maintenance Policy document states a risk assessment of the water system assets will be undertaken and annually reviewed, to focus maintenance strategies on assets at highest risk of failure. The asset risk assessment was last updated in March 2023, and prior to that in 2021 and 2019.</p> <p>Risk Management <i>Probability and consequences of asset failure are regularly assessed.</i></p>	<p>The asset risk assessment should be reviewed as soon as possible and then at least every 2 years or if major changes occur in the assets or services. The Maintenance Policy should be updated for this requirement.</p>	Nil

B. Unresolved during current review period			
Reference (no./year)	Asset System Deficiency (AMS Component/Effectiveness Criteria/Ratings/Details)	Auditor's Recommendation	Management Action taken by end of audit period
	<p>A 2 yearly revision of the risks is suggested as adequate unless there are significant changes made. There have been no major changes to the scheme or services in the audit period that would affect the risks.</p> <p>Section 3.3 Risk of the AMP (3.3.1 Risk Identification) defines the likelihood and consequence criteria and the risk matrix used. Critical assets are also defined. Existing controls for a number of the risks are operating activities – typically monitoring and inspection tasks. The risk assessment is completed in a spreadsheet. This was provided and included the most recent update in March 2023.</p> <p>The risk assessment is planned to be updated at least every 2 years.</p>	As above.	Nil

Appendix A - Methodology

A1. Audit and Review Approach

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

Audit and Review Planning

- Conduct an initial meeting with the ERA to confirm the audit/review approach and timing for the audit and review (*not required*).
- Contact the licensee to gain an understanding of the business, relevant management plans and systems that may affect the risk assessment for planning purposes (*completed*).
- Prepare a risk assessment including any specific factors or changes relevant to the licensee (in tabular form against each licence condition and asset management system component).
- Submit a draft **Audit and Review Plan**, including the risk assessment and proposed approach, to the ERA for review and approval.
- Send a **Pre-Visit Checklist** of information and documentation to the licensee to enable staff to prepare for the visit (and where possible, send us information prior to the site visit).

Fieldwork

- Undertake a visit to the licensee and conduct various meetings with stakeholders, including 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 will include our Senior 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 audit steps for the **Operational Audit** will include:
 - **analysis of documented procedures** to assess whether they are consistent with regulatory requirements or arrangements under the licence;
 - **review of systems and procedures** to assess whether they reflect compliance obligations and performance standards, including assessing and testing the following:
 - **control environment** – management's philosophy and operating style, organisational structure, assignment of authority and responsibilities, the use of internal audit, the use of information technology and the skills and experience of the key staff members;
 - **information system** – the appropriateness of the information systems to record the information needed to comply with the licence, accuracy of data, security of data, cyber security and documentation describing the information system;
 - **control procedures** – the presence of systems and procedures to monitor compliance with the licence or the effectiveness of the asset management system and to detect and correct non-compliance or under-performance;
 - **compliance attitude** - the action taken by the licensee in response to the previous audit/review recommendations, and an assessment of management's attitude towards compliance; and

- **outcome compliance** – the actual performance against standards prescribed in the licence throughout the audit period.
- Update the risk assessment with any new information obtained in the course of the audit testing and, in instances of significant non-compliance, assess the licensee's plan to ensure compliance and recommend any further improvements to achieve compliance.
- The activities in the **Asset Management System Review** will include:
 - analyse the documented procedures and processes for the planning, construction, operation and maintenance of assets to assess whether they are consistent with regulatory requirements under the licence;
 - interview key personnel to assess whether they understand and comply with the documented processes and procedures;
 - physically inspect the key assets and infrastructure; and
 - assess the effectiveness of the processes and system in place.

Audit and Review Reporting

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

A2. Key Documents Reviewed

Regulatory Documents and Reports

- Water Services Act 2012
- Water Services Code of Conduct (Customer Service Standards) 2018
- Water Services Code of Practice (Family Violence) 2020
- Water Services Regulations 2013
- 2019 Audit and Review Guidelines: Water Licences (updated August 2022)
- Water Compliance Reporting Manual (October 2021 and July 2024) Water Services Operating Licence WL47- Version 2
- Map of Licence Operating Area OWR-OA-311
- Compliance reports to ERA for 2022/23 and 2023/24
- Performance reporting datasheets to ERA for 2022/23 and 2023/24
- Energy & Water Ombudsman membership
- Relevant correspondence between the Licensee and the ERA, Department of Water and Environmental Regulation and Department of Health (as applicable).

Operational Audit

- Customer Service Charter
- Financial Hardship Policy
- Planned outage notification example
- Standard Water Supply Customer Contract
- Lancelin South Water website
- Invoicing Procedure
- Billing Review Procedure
- Water invoices (sample)



- Estimated invoice (example)
- Direct Debit Form
- Payment Reminder Notice (example)
- Financial Hardship Policy and ERA request to update
- Sample of water invoices to customers
- Notice of Outage and Response (example)
- Communications Register
- Customer Complaints procedure
- Compliance Calendar
- ERA Invoices
- Preserved Supply Register
- DoH Memorandum of Understanding
- Family Domestic Violence Policy

Asset Management System Review

- Asset Management Plan
- Site plan.
- Water Reserve Drinking Water Protection Plan
- Drinking Water Quality Policy
- Drinking Water Source Protection Plan
- DEWR Operating Strategy
- Decontamination Procedure
- Asset Register
- Maintenance Procedures
- Bursts, Leaks and Blockages procedure
- Maintenance Schedule
- Maintenance Manual
- Maintenance Policy
- Maintenance Works Guideline
- Water Service Interruption procedure
- Service Reports (sample)
- Field Report Tracker 2025
- Asset Risk Register
- Financial Reports for 2023/24 and YTD 2024/25
- Quarterly and Annual Water Quality Reports to DoH 2022/23 to 2023/24
- Emergency Response Plan
- Health and Safety Guideline
- LSW Contacts
- Incident Scenario Workshops

A3. Key Contacts

The licensee's representatives participating in the audit were:

- Blair Shackleton, GM Lancelin South Water (Site visit and audit)
- Sam Williams, Project Director VIMG (AMS review)
- Tanya Madden, Manager, Armada Accountants

A4. Consultants

NAME AND POSITION	BUDGET HOURS
Geoff White - Director	50
Geoff Hughes – Principal Planning Engineer	30
TOTAL	80

END OF REPORT