

B. Audit scope and methods

Performance engagement

This audit has been performed in accordance with the *Auditor-General Auditing Standards*, incorporating, where relevant, the standards on assurance engagements issued by the Auditing and Assurance Standards Board. This includes the standard on assurance engagements ASAE 3500 *Performance Engagements*. This standard establishes mandatory requirements and provides explanatory guidance for undertaking and reporting on performance engagements.

The conclusions in our report provide reasonable assurance about the audited entities' performance against the identified criteria. Our objectives and criteria are set out below.

Audit objective and criteria

The objective of the audit is to assess how effectively state and local government entities ensure communities can access safe drinking water.

The audit addressed the objective through the following sub-objectives and criteria:

Sub-objective 1	Does the Department of Local Government, Water and Volunteers (the department) effectively monitor and respond to drinking water quality risks?
Criteria	
1.1	The department has defined its desired regulatory objectives and plans its work accordingly
1.2	The department assesses and prioritises risks which inform its regulatory activities
1.3	The department responds to incidents and non-compliance in an effective and timely manner
Sub-objective 2	Do the selected water service providers effectively manage drinking water quality?
Criteria	
2.1	The selected water service providers have developed and implemented water quality plans and procedures that are based on industry guidelines
2.2	The selected water service providers effectively respond to incidents and hazardous events
2.1	The selected water service providers continually improve their performance

The entities we audited

Our audit included the Department of Regional Development, Manufacturing and Water and 4 local councils (water service providers) responsible for providing safe drinking water to their communities.

On 1 November 2024, the government restructured responsibilities, moving water regulation from the Department of Regional Development, Manufacturing and Water and local government from the Department of Housing, Local Government, Planning and Public Works into the new Department of Local Government, Water and Volunteers.



The findings in this audit reflect departmental structures as they existed before 1 November 2024. This audit did not include any assessment of the Department of Housing, Local Government, Planning and Public Works and its transferred local government functions.

The following table provides key statistics from 2022–23 for the 4 water service providers.

Figure B1
Key statistics of the 4 water service providers for 2022–23

Providers	Number of water schemes	Population	Water connections	Council area (square kilometres)	Own-source revenue \$'000
Cherbourg Aboriginal Shire Council	1	1,264	343	32	8,758
Fraser Coast Regional Council	3	117,940	41,876	7,105	240,477
Western Downs Regional Council	9	34,991	11,815	37,923	152,835
Winton Shire Council	1	1,138	611	53,814	14,358

Note: Own-source revenue refers to revenue raised by a council from its day-to-day business activities, such as rates, charges, and fees. It excludes any grant funding the council may receive.

Source: Compiled by the Queensland Audit Office from Department of Local Government, Water and Volunteers data, which is collected from local governments; Australian Bureau of Statistics estimated population data; and data from the 2022–23 local government financial statements.

The providers in South East Queensland include Gold Coast City Council, Logan City Council, Redland City Council, Toowoomba Regional Council, Unitywater, and Urban Utilities. These are larger entities, they have different resources available, and they face different challenges to the providers in regional Queensland.

Scope exclusion

We did not audit:

- Queensland Health and the public health units
- water supply management, including accessibility and infrastructure capacity
- water suppliers not regulated under the *Water Supply (Safety and Reliability) Act 2008* (for example, private tank water, mine sites, or bodies corporate)
- recycled water schemes
- water incidents that occur in infrastructure beyond the water meter (for example, in a building or hospital)
- water treatment decisions made by councillors and mayors based on information presented to them by management (for example, chlorination or fluoridation).

Audit method and approach

Field visits and interviews

We conducted interviews with stakeholders across the water sector, including regional areas of Queensland. This included, but was not limited to:

- site visits to water treatment plants and infrastructure at
 - Cherbourg Aboriginal Shire Council
 - Fraser Coast Regional Council
 - Western Downs Regional Council
 - Winton Shire Council
- meetings with
 - the former Department of Regional Development, Manufacturing and Water, now called the Department of Local Government, Water and Volunteers
 - Queensland Health
 - the local government division in the former Department of Housing, Local Government, Planning and Public Works, now called the Department of Local Government, Water and Volunteers
 - the Local Government Association of Queensland
 - the Queensland Water Directorate, which is an industry peak body that provides advisory and advocacy, training, and support to water service providers.

Document review

We obtained and reviewed relevant documents from the entities involved in the audit. This included legislation, strategic plans, annual plans, guidelines, correspondence, drinking water quality management plans, and corresponding annual reports, independent audit reports, governance committee meeting packs, and reviews. We also considered research from other jurisdictions and academia.

Data analysis

We analysed a range of data from the entities from between 2020–21 and 2022–23, including on:

- incidents, instances of non-compliance, and enforcement actions
- site visits
- risk assessments
- operational and verification monitoring.

We also accessed data from 'Urban Water Explorer', which is the Department of Housing, Local Government, Planning and Public Works' web-based dashboard. It includes information about water service provider service delivery, water supply security, demand management, and customer service.

Subject matter experts

We engaged and sought advice from 2 subject matter experts from the University of Sydney and the Australian National University. The experts have fellowships with Engineers Australia and are members of the Australian Water Association. They provided insight into water operations, key issues, and risks. They also offered advice and validated facts and concepts related to specific aspects of the audit.

