

## Shire of Lake Grace Post-Review Implementation Plan 2020

| Recommendation | Non-compliance / Controls improvement<br>(Rating / License obligation reference number & license obligation / Details of non-compliance or inadequacy of controls)   | Reviewer's recommendation   | Action proposed to be taken by the licensee   | Responsible person   | Target completion date |
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| 1/2019         | <b>C3</b> <ul style="list-style-type: none"> <li>As for the 2016 review, Reviewer was provided with a copy of the 2016 Asset Management plan prepared by GHD. The AMP is considered adequate in concept – but is significantly out of date. Future activities and maintenance are proposed for dates prior to, or during the previous review period - and in most cases were not implemented. There is little or no documented evidence of implementation in many cases such as operations, maintenance, financial or capital expenditure planning, or review of documents within the AMP. The AMP should be thoroughly reviewed and updated subject to comments and recommendations outlined</li> </ul> | <p>That the AMP be thoroughly reviewed and updated as recommended elsewhere in this report including the following obvious items: The AMP is dated 2017 and is clearly out of date – as are many of its component sections; and</p>                     | <ul style="list-style-type: none"> <li>The Shire will have a consultant engaged through the WALGA Preferred Supplier Panel under the contract “Engineering Consulting Services” to provide a whole of document review and update of the Shire’s Asset Management Plan, after a mandatory site visit.</li> </ul> | Acting Manager Infrastructure Services (A/MIS), Consultant | 30 June 2020           |
|                |  | <ul style="list-style-type: none"> <li>Appendix A (Contingency Plan) and Appendix B (Personnel Contact Information) contain the names of Shire contacts no longer employed by the Shire – and should be replaced by the current Shire staff.</li> </ul> | <ul style="list-style-type: none"> <li>Shire Officers will update these references in the AMP.</li> </ul>   | Technical Officer (TO)                                     | 31 March 2020          |

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|  | <p>in the 2016 review - and repeated in this 2019 review;</p> <ul style="list-style-type: none"><li>• The Asset Renewal Strategy in the AMP tabulates the long-life expectancy of most assets. As the Shire has no current need for significant planned replacement of its assets, its asset-based expenditure will be on maintenance, refurbishment and repair where necessary;</li><li>• The Shire has a specific policy for cost limits on quotes, tenders and a regional price preference associated with new or replacement assets. The policy is based on the requirements of the Local Government Act; and</li><li>• Future planning by the Shire for its sewerage scheme development is constrained by minimal growth of the town's population and connections to the sewerage scheme over recent years. The population, number of connections and sewage flows are therefore expected to be unchanged for the foreseeable future. Capital works will therefore be based on replacement of assets as required by age or condition</li></ul> |  |  |  |  |
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|        | rather than due to the necessity to increase the capacity of existing assets. The AMP states (item 3.1.1): <i>“The forecast demand for sewerage services is no expected to increase”</i> .   |  |  |                     |                          |
| 2/2019 | <p><b>C3</b></p> <ul style="list-style-type: none"> <li>• Operation and Maintenance tasks are generally identical procedures in small basic sewerage systems such as that at Lake Grace. The AMP outlines the tasks reasonably well but with insufficient information in some cases - such as de-sludging the Imhoff Tank. Also, the AMP describes specific operations and maintenance tasks and their frequency. However, these tasks have not been undertaken;</li> <li>• The contract plumber undertakes the inspection, maintenance and repairs associated with the collection system, pumping station and the Imhoff Tank. A Shire staff member is designated to undertake checking and recording of maintenance and repair activities. However, checking is only done following</li> </ul> | <p>It is recommended that:</p> <ul style="list-style-type: none"> <li>• Collection System – the Shire conduct and record a condition inspection of access chambers in its Asset Register. The Shire should also arrange for a CCTV inspection of the condition of all sewers. The results of the condition inspections should be recorded in the asset register. Items requiring repair or maintenance should also be recorded, prioritised and actioned. The Shire should flush the sewer collection system with clean water on an annual basis;</li> </ul> | <ul style="list-style-type: none"> <li>➤ Quotes have been gathered and awarding the job to the best proposition is currently being deliberated. An item to Council will be put forward during the April Ordinary Council Meeting to request additional funds drawn from the Sewerage Reserve to cover these works in the current Budget. Once funds are secured, contractor will be organised to carry out CCTV Inspections of the town’s sewerage mains and access chambers which will take a week.</li> <li>➤ Plumber will be organised to flush the system by mid-April.</li> </ul> | <p>TO<br/>A/MIS</p> | <p>31 May<br/>2020</p>   |
|        |  | <ul style="list-style-type: none"> <li>• The cover to the septage discharge point should be fitted with a padlock – and a Shire officer appointed to unlock the cover and to verify the waste</li> </ul>   | <ul style="list-style-type: none"> <li>➤ The Shire will not be fitting padlocks to the RV Dump Points on account of large inconvenience to RV campers who cannot</li> </ul>  | <p>TO</p>           | <p>17 April<br/>2020</p> |
|        |  |  |  | <p>Rejected</p>     | <p>Rejected</p>          |

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|  | <p>receipt of the plumber's account and the works are not recorded on job sheets or maintenance schedules;</p> <ul style="list-style-type: none"> <li>The contract plumber has a sound knowledge of the overall system and appears to initiate maintenance works with little or no reference to Shire Officers. At the Shire's request, the Imhoff Tank was recently emptied and cleaned. Unfortunately, the accumulated sludge (which Imhoff Tanks remove from the sewage flow prior to its entry to the ponds) were discharged to the pond system, resulting in significant additional Biochemical Oxygen Demand (BOD), Solids and bacterial load likely to result in substantial decrease in the quality of effluent.</li> <li>Four access chambers were inspected during the field review. In three cases the covers were overlain with soil and weed and would not have been located but for the local knowledge of the plumber. All covers should be greased. The benching in one chamber was broken and the access step</li> </ul> | <p>material and oversee its discharge to the sewerage system;</p>  | <p>immediately deal with their business and to Shire staff in charge of the keys—especially on weekends. In cases where a camper van trail runs through town would consume a large amount of time from the staff member looking after the RV Dump Point. It would be more costly but more convenient to keep the RV Dump Points unlocked and to deal with any complications arising from improper use or vandalism.</p> |       |               |
|  |   | <ul style="list-style-type: none"> <li>Signage – a sign for the main pumping station should be removed from the switchboard cabinet and be re-mounted on the enclosure fencing;</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Organise building maintenance staff to move the sign and cover gaps from the front of control panel leftover.</li> </ul>   | A/MIS | 31 March 2020 |
|  |   | <ul style="list-style-type: none"> <li>Weekly run hours recording of all pumping station pumps should continue and monitored for unexpected variations. New cut in and cut out set points for the Mason St pumping station should be determined and the pump volume contained between the set points determined. The pumping and refill periods should be</li> </ul> | <ul style="list-style-type: none"> <li>➤ Weekly run hours recordings are ongoing. Cut in and cut out levels are the same as before. Refill interval will be re-measured to verify that the new pumps are operating more effectively than the years old pumps they have replaced. After that calculations can commence to find the new</li> </ul>  | TO    | 31 March 2020 |

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|  | <p>irons in another dangerously corroded.</p> <ul style="list-style-type: none"> <li>The condition of all chambers should be assessed, covers greased and a maintenance/repair program implemented.</li> <li>The Shire has provided a septage disposal pit adjacent to the pumping station near the swimming pool. Waste contractors may discharge wastes to the pit simply by opening the hinged cover. Reviewer considers the cover should be fitted with a padlock to prevent improper dumping of unsuitable wastes and vandalism. Bona fide users would be required to request a nominated Shire officer to unlock the cover and verify the quality of waste discharged;</li> <li>Sludge deposited in an Imhoff Tank takes about thirty days to digest - changing in colour from brown to black. Sludge should therefore be discharged to the drying bed at monthly intervals. Flow should be terminated when the out-flow colour changes from black to brown. This procedure should be</li> </ul> | <p>measured to determine pump discharge rates – allowing annual flows to the treatment plant be determined from measured pump hours;</p>  | <p>annual intake flow.</p>  |                     |                     |
|  |  | <ul style="list-style-type: none"> <li>Treatment plant – weeds on embankment walls should be poisoned regularly. Shrubs and trees on the embankment should be removed and the surface restored;</li> </ul>  | <ul style="list-style-type: none"> <li>➤ Perimeter around Pond No.2 has been cleared but there are still some shrubbery around the slopes of the embankment that will need to be poisoned and removed.</li> </ul>   | <p>A/MIS</p>        | <p>30 June 2020</p> |
|  |  | <ul style="list-style-type: none"> <li>The Shire should seek the approval of Department of Water and Environmental Regulation to continue discharge of treated effluent to the salt affected hollow on the adjacent property;</li> </ul>  | <ul style="list-style-type: none"> <li>➤ The Shire will secure a written letter from the affected property's owner first, then seek approval to continue the plan for Treatment Pond 2 to overflow into the adjacent private land from DWER by May 2020.</li> </ul> | <p>A/MIS<br/>TO</p> | <p>31 May 2020</p>  |
|  |  | <ul style="list-style-type: none"> <li>Treatment plant – while water levels are low the Shire should install a new overflow at IL 234.34 metres AHD in the northern end of the west wall of Pond No.2, together with a protective layer of say, 75mm stone placed against the now vertical internal face of the northern wall of Pond No.2, the Shire should empty and re-line the pond as (or similar to) the</li> </ul> | <ul style="list-style-type: none"> <li>➤ New overflow pipe has been installed on the northern end of the western wall (opposite location of inflow pipe).</li> </ul>  | <p>Nil</p>          | <p>Complete</p>     |

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| <p>included in the maintenance schedule.</p> <ul style="list-style-type: none"> <li>• Staff training and qualifications, certificates held, training records etc. are coordinated by the Shire's Training Officer. In addition to induction and OSH training, specific job task training and re-training is recorded and arranged. There is no specific training related to the sewerage system operations; <ul style="list-style-type: none"> <li>○ The list of assets in the asset register appears up to date. However, records of asset condition are out of date and should be re-assessed. E.g.:</li> <li>○ Access Chambers were last inspected in 2016. Their condition was not rated and remains un-rated. Work carried out during the 2016 inspection and additional work required was noted. However, there is no indication as to whether or not this additional work was undertaken.</li> </ul> </li> <li>• Pumping equipment and WWTP were last inspected in 2010</li> </ul> | <p>procedure described above;</p> <ul style="list-style-type: none"> <li>• Treatment plant – the AMP should contain a sequence and description of procedures for the general operation and de-sludging of the Imhoff Tank;</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Addition of this procedure will be handled by Shire officers.</li> </ul>   | TO                 | 31 March 2020                   |
|   | <ul style="list-style-type: none"> <li>• Operations and Maintenance - the Shire should verify that the planned maintenance schedule corresponds with maintenance tasks undertaken by the plumber and agree to and document changes where necessary. The Shire should negotiate a contract for operations, planned and unplanned maintenance services currently provided by the plumber. Operations and maintenance procedures should be initiated by the Shire – preferably by the Senior Technical Officer.</li> </ul> | <ul style="list-style-type: none"> <li>➤ Maintenance schedule will now have an annual servicing of all pump stations, and an annual pump out of the Imhoff tank on top of monthly cleanouts of all wet wells.</li> <li>➤ An official call for tenders to provide sewerage maintenance services will be ran in July or August 2020. Awarding of the Contract, signing and counter-signing will be complete by end of November 2020.</li> </ul> | A/MIS<br><br>A/MIS | Ongoing<br><br>30 November 2020 |

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|  | <p>when condition was rated as fair and good. Reviewer noted that pumps, control equipment and associated equipment (including spare pumps) were replaced during November December 2019. Not all of this information has been included in the asset register.</p> <ul style="list-style-type: none"><li>• The condition of pipes has not been assessed, as the Shire prefers to note pipe condition at failure locations inspections. As recommended in the previous review, the Shire should engage a contractor to conduct a CCTV inspection to assess the condition of its sewer pipe system;</li><li>• During mid - 2019, the Shire appointed a Senior Technical Officer with sewerage system experience, to coordinate asset management monitoring and recording documentation, ERA licence reporting for the sewerage system. He will be supported by the existing Technical Officer who was previously overloaded and without experience in the processes, operation and maintenance of sewerage</li></ul> |  |  |  |  |
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|  | <p>systems,</p> <ul style="list-style-type: none"><li>• Appointment of an Environmental Health Officer (“EHO”) is not considered appropriate for such a role as they normally only visit the Shire on a fortnightly basis;</li><li>• Since discontinuing irrigation of the Shire’s recreation areas with WWTP effluent in 2014, the water level in the second pond has increased to the emergency overflow pipe water level of RL 284.84 metres AHD during the higher rainfall months i.e. 46 cm. above the design level of RL 284.38. metres AHD. During this period, treated effluent has discharged to a salt affected basin on private property immediately west of the WWTP. Reviewer was advised that the owner of the property adjacent to the WWTP has agreed to the discharge of treated effluent to the salt affected hollow on his land. It is unclear as to whether or not the Health Department, or Department of Water and Environmental Regulation are aware of, or, have approved the practice.</li><li>• A side issue of the increase in</li></ul> |  |  |  |  |
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|  | <p>the pond level is that erosion of the banks has occurred above the design top water level - allowing significant seepage from the second pond at the northern end. During 2017, Reviewer reported to the Shire on this issue and made recommendations regarding the legal aspects of the practice and repair of the embankments. No action was taken.</p> <ul style="list-style-type: none"><li>• Currently, evaporation has reduced both ponds to a level below their design level. Consequently, there is no discharge from the plant and no seepage occurring from the northern embankment of Pond No.2. At this point the Shire should urgently construct an additional overflow pipe at the north west corner of Pond No.2 at an invert level of RL 234.34. This will ensure that future pond No.2 levels do not exceed the original design level, should arrest the ongoing bank erosion and possibly leakage from the pond. A protective layer of say, 75mm stone placed against the now vertical internal face of the northern wall of pond No.2</li></ul> |  |  |  |  |
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|        | <p>would provide additional stability and dissipate any future eroding wave energy.</p> <ul style="list-style-type: none"> <li>If, following the above procedure, erosion and/or seepage is continuing, the Shire should consider lining Pond No.2. It is suggested that the pond be pumped empty, allowed to dry out and lined with a suitable membrane - after which it can be returned to service. This procedure should be undertaken during the summer months when both pond levels are low. Any flow into Pond No.1 not removed by evaporation could simply be discharged to the adjacent salt affected hollow.</li> </ul> |   |   |                     |                         |
| 3/2019 | <p><b>C3</b></p> <p>The AMP contains a concise schedule of maintenance tasks over a twelve-month period. The document is clearly out of date as it contains separate annual schedules for 2015/16 and 2016/17. The document should be corrected for at least 2019/20 and preferably 20/21 in addition.</p> <ul style="list-style-type: none"> <li>The schedule contains columns for entering costs for labour,</li> </ul>  | <p>The planned maintenance schedules should be edited and updated to include:</p> <ul style="list-style-type: none"> <li>- Maintenance tasks for 2019/20 and 2020/21</li> <li>- Provision for confirming and recording that maintenance has occurred and the date.</li> <li>- Actual and estimated costing information for current and subsequent years</li> <li>- Provision for providing comments on condition, work</li> </ul> | <p>The AMP will be updated with the requested information by Shire staff.</p> | <p>A/MIS<br/>TO</p> | <p>30 June<br/>2020</p> |

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|        | <p>materials and total costs for each task to be undertaken in each month. There is no column for recording that maintenance tasks have been completed. As the schedules are out of date, there is no cost information for the current year or estimates for the subsequent year. The comments column is too small to accommodate useful information regarding work required.</p> <ul style="list-style-type: none"> <li>The names and contact details of Shire staff and trades contractors are incorrect and out of date by some five years</li> </ul> | <p>required etc for each asset or asset group.</p> <ul style="list-style-type: none"> <li>Edit and correct details of Shire staff and contractors associated with maintenance activities.</li> <li>Operations and Maintenance - the Shire should verify that the planned maintenance schedule corresponds with maintenance tasks undertaken by the plumber and agree to and document changes where necessary. The Shire should negotiate a contract for operations, planned and unplanned maintenance services currently provided by the plumber. Operations and maintenance procedures should be initiated by the Shire - preferably by the Senior Technical Officer.</li> </ul> |  |            |               |
| 4/2019 | <p><b>C3</b></p> <ul style="list-style-type: none"> <li>The Asset Management Information System ("AMIS") contains a comprehensive Risk Assessment spread sheet based on AS/NZS ISO 31000:2009. The AMP at sub-section 4.5 – <i>"Summary of Risks"</i> states in part, <i>"The risk assessment concluded that other than the rising main, all other assets</i></li> </ul>   | <ul style="list-style-type: none"> <li>That the Risk Assessment be reviewed to examine the absence of controls claimed to exist and the consequent level of risk - or that the controls claimed be promptly implemented.</li> <li>That reference to pumping station overflows be deleted from the assessment and that references to the "Manager</li> </ul>   | <ul style="list-style-type: none"> <li>An independent consultant will be brought to review the entirety of the risk assessment spreadsheet.</li> <li>This will be modified by Shire officers.</li> </ul> | Consultant | 30 June 2020  |
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|  | <p><i>were at low to moderate risk exposure, which could be managed with current process and procedures and no further actions were needed to manage or mitigate the other risks.”;</i></p> <ul style="list-style-type: none"> <li>• Reviewer noted the risk assessment controls refer to CCTV inspections of pipes, regular inspection of the network, annual inspection of access chambers, and monthly surveillance of the WWTP facilities. As the Shire has not implemented any of these inspection procedures the controls are therefore weak, or non-existent. The current assessment of risk is at least questionable.</li> <li>• Similarly, pumping station failure controls are stated to include overflow capture, which in-correct, as none of the four pumping stations has an overflow basin. The Shire employs an Infrastructure Services Manager, not a Works Supervisor as stated at several locations in the AMP. This position is currently vacant.</li> <li>• The risk analysis does not include an assessment of the</li> </ul> | <p>Infrastructure Services” be substituted for references to “Works Manager”</p> <ul style="list-style-type: none"> <li>• The risk assessment table be extended to include risks associated with bushfire and earthquake.</li> </ul> | <p>➤ An independent consultant will add and assess these two risks.</p> | <p>Consultant</p> | <p>30 June 2020</p> |
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|        | <p>risks associated with a bushfire which could render the pumping station controls unserviceable, or an earthquake which could weaken the northern and western walls of Pond No. 2 at the WWTP.</p> <ul style="list-style-type: none"> <li>Finally, loss of an embankment of a treatment pond No 2. could occur unless the Shire attends to the embankment erosion risk. In this event, the delay and cost could be far more significant than assessed.</li> </ul>   |  |   |  |  |
| 5/2019 | <p><b>C2</b><br/>The previous review recommended that the section on Contingency Planning be carefully be reviewed and re-written in response to Reviewers comments. However, the AMP document presented for this review still contains the former Contingency Plan unchanged.</p> <p>The former document should be replaced in the AMP with a new contingency plan recently prepared. The following comments refer to the new contingency plan document.</p> <p>The new contingency plan contains a set of basic contingency procedures and is considered adequate for its</p> | <p>That in view of the above comments, the new AMP section on contingency planning should:</p> <ul style="list-style-type: none"> <li>Replace the plans currently contained in the AMP;</li> <li>Include contact details for Western Power, Police, Emergency Services, NBN, Ambulance and Liquid Waste Removal contractor;</li> <li>Include details of the new Manager Infrastructure Services, when appointed;</li> <li>Include the use of a waste tinkering service when applicable;</li> </ul> | <ul style="list-style-type: none"> <li>➤ Will be done by the independent consultant.</li> <li>➤ To be added to the individual document before being added to the AMP by Shire Officers.</li> <li>➤ Position for new MIS still yet to be advertised. Will be replaced with Acting Manager Infrastructure Services in the meantime.</li> <li>➤ Will be done by the independent consultant.</li> </ul> | <p>Consultant</p> <p>A/MIS,<br/>TO</p> <p>Consultant</p> <p>Consultant</p> | <p>30 June 2020</p> <p>31 March 2020</p> <p>30 June 2020</p> <p>30 June 2020</p> |

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|  | <p>purpose.</p> <ul style="list-style-type: none"> <li>• The list of contacts contains the names and contact details of several relevant employees of the Shire, together with the local plumber and electrician, pump supplier. Contact details for other authorities / relevant businesses should also be listed in case their input is required. These include the Water Corporation, Police, Ambulance Service, Waste Removal and Earthworks contractors. Vanessa Crispe - Manager Infrastructure Services has recently left the Shire. Her name and contact details should be replaced with those of her successor</li> <li>• The plan should include the use of a waste removal contractor to tanker wastes upstream from a blockage to a downstream pumping station, the Shire's WWTP, or that of another sewerage services provider.</li> <li>• There is no requirement for the plans to be tested or reviewed. An in-house workshop should therefore be held annually, at which two separate emergency scenarios are "work shopped"</li> </ul> | <ul style="list-style-type: none"> <li>• Include the implementation of an in-house workshop held annually, at which two separate emergency scenarios are "work shopped" by the relevant Shire staff.</li> </ul> | <p>➤ Will be done by the independent consultant.</p> | <p>Consultant</p> | <p>30 June 2020</p> |
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|        | <p>by the relevant Shire staff. The workshop should assess and develop staff knowledge of the system and the approach to emergency control and service restoration. The workshop scenarios should be prepared by the Manager Infrastructure Services – who will facilitate, but not lead discussion. Minutes should be kept and issued to participants. Any changes considered necessary should be incorporate in the contingency plans</p>  |   |   |            |              |
| 6/2019 | <p><b>C3</b><br/>The financial plan submitted for the 2016 review has been re-submitted unchanged for this 2019 review. An updated financial plan for the sewerage services could not be provided. Therefore, the comments and recommendations of the 2016 review are repeated for this 2019 review as follows:</p> <ul style="list-style-type: none"> <li>• Section 7 – Financial Summary of the AMP provides a breakdown of income and costs for the five-year period 2016/17 to 2020/21. For a consistent five years period from the end of the review date, the estimate range should be 2017/18 to</li> </ul> | <ul style="list-style-type: none"> <li>• Section 7 of the AMP should be reviewed, clarified and edited so that cost estimates in the whole of life spreadsheets and the AMP are in agreement – or any differences explained. The document should be extended annually to provide a rolling five years prediction of the financial viability of the sewerage system. Similarly, the source and relationship between amounts in the various tables of Section 7 of the AMP should be made clearer.</li> </ul> | <ul style="list-style-type: none"> <li>➤ The consultant will undertake the financial planning review then implement it into the AMP. Consultant will be given information of the works and spending of the 2019/20 financial year to inform their review of the Shire’s forward financial planning for the sewerage maintenance system. The 2019-20 budget is quite the exception due to mass replacing of long-overdue assets throwing the spending numbers out of previous trends.</li> </ul> | Consultant | 30 June 2020 |

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|  | <p>2012/22 and is therefore two years out of date;</p> <ul style="list-style-type: none"><li>• Reviewer noted that the whole of life capital replacement spread sheet indicates a net present value of \$2,966,359 and a corresponding annuity of \$94,003. Deducting an amount of \$900,000 (held in the sewerage reserve at 30<sup>th</sup> June 2017) from the net present value reduces the annuity to \$ 65,820. The AMP states the capital replacement annuity as being \$67,973 - which is essentially in agreement with the above. However, the source calculations are not provided;</li><li>• The whole of life annuity spread sheet determines an annuity of \$94,003 for maintenance. The estimated total annual annuity cost (capital plus maintenance) is therefore in the order of \$65,820 + \$94,003 = \$159,823 – which exceeds the required annuity of \$126,146 quoted in sub-section 7.5 of the AMP;</li><li>• An income of \$135,069 is listed in the AMP for 2015/16 - which indicates an on-going income shortfall in the order of (capital plus maintenance annuity</li></ul> |  |  |  |  |
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|        | <p>minus income) \$159,823 - \$135,069 = \$24,754 annually – unless rates are significantly increased;</p> <ul style="list-style-type: none"> <li>• Reviewer spent a significant amount of time attempting to understand the difference between annuities stated in the AMP and those of the whole of life financial spread sheet. Reviewer was also unable to understand the overall set of figures and tables in Section 7 of the AMP; and</li> <li>• Reviewer acknowledges that Section 7 of the AMP is intended to provide a rolling five-year forecast if income and expenditure and to indicate that financial planning is sound. However, review, clarification and editing of the document is required to provide the intended outcome.</li> </ul> |  |  |            |  |
| 7/2019 | <p><b>C3</b><br/>The Capital Expenditure information submitted for the 2016 review has been re-submitted unchanged for this 2019 review. An updated Capital Expenditure plan for the sewerage services could not be provided. Therefore, the comments and recommendations of the 2016</p>  | <ul style="list-style-type: none"> <li>• That the AMP and Financial model be reviewed, amended as necessary and updated annually to ensure consistency of Capex expenditure forecasting and input to financial budgets;</li> <li>• Ensure that sewerage asset</li> </ul> | <ul style="list-style-type: none"> <li>➤ The consultant will review this and make or recommend changes necessary. Updates to the AMP in subsequent years will be carried out by Shire officers using the financial planning done by consultant.</li> <li>➤ The Technical Officer,</li> </ul> | Consultant | 30 June 2020, Ongoing for annual updates |
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|  | <p>review are repeated for this 2019 review as follows.</p> <ul style="list-style-type: none"> <li>The following tabulation shows the 2018 to 2022 capex expenditure projections of the (a) – Financial mode of the AMIS, (b) – AMP and (c) – Shire’s (then 2017/18) current budget:</li> </ul> <p>(a) – Financial Module of Excel based AMIS:<br/> 2018 = \$271,666<br/> 2019 = \$5,206<br/> 2020 = Nil<br/> 2021 = Nil<br/> 2022 = Nil</p> <p>(b) – AMP:<br/> 2018 = \$233,720<br/> 2019 = Nil<br/> 2020 = Nil<br/> 2021 = Nil<br/> 2022 = Nil</p> <p>(c) – Shires 2017/2018 Budget:<br/> 2018 = Nil<br/> 2019 = Nil<br/> 2020 = Nil<br/> 2021 = Nil<br/> 2022 = Nil</p> <ul style="list-style-type: none"> <li>Reviewer noted the discrepancy between the Finance model and the AMP in the years 2018 and 2019 – which is not explained or</li> </ul> | <p>management officers provide input to sewerage system budget preparation and that associated AMP documentation is amended as necessary to agree with budget provisions; and</p> <ul style="list-style-type: none"> <li>The document should be extended annually to provide a rolling five years prediction of capital expenditure requirements.</li> </ul> | <p>besides the Manager Infrastructure Services is the only one with a large responsibility towards sewerage maintenance. TO will discuss with A/MIS about the budget. Budget is usually adopted around September every year.</p> <p>➤ To be done by the consultant by 30 June 2020 to assist in determining sewerage maintenance budget for next financial year.</p> | <p>Consultant</p> | <p>September 2020</p> <p>30 June 2020</p> |
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|        | <p>corrected. Although both the Finance model and the AMP estimate 2018 expenditure in excess of \$230,000, the Shire's budget contains a nil provision for 2018 and subsequent years to 2022;</p> <ul style="list-style-type: none"> <li>• Whilst the AMP indicates the general areas in which Capex expenditure is intended, a more detailed breakdown of the estimates should be provided in the AMP. As noted for Item 10 - Financial Planning, the Capex Plan should be extended annually to provide a rolling five years prediction of capital expenditure from the current financial year; and</li> <li>• As noted, elsewhere in this document the AMP is out of date and should be reviewed and updated. There appears to be little or no interaction between the Shire's officers responsible for the sewerage asset management system and those preparing the annual budget.</li> </ul> |   |  |   |                            |
| 8/2019 | <ul style="list-style-type: none"> <li>• Independent reviews of the asset management system have been undertaken by approved</li> </ul>   | <p>The practises and staffing of managing the assets of the Shire's sewerage system should be reviewed and revised;</p> | <ul style="list-style-type: none"> <li>➤ The Shire intends to recruit for the currently vacant position of Infrastructure Administration Officer (and</li> </ul> | <p>A/CEO,<br/>A/MIS,<br/>Consultant</p> | <p>31 October<br/>2020</p> |

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|  | <p>Auditors since the issue of - and in accordance with, the requirements of the Shire's Water Services Licence;</p> <ul style="list-style-type: none"> <li>• Dated December 2016, the AMP is unchanged since originally submitted for the 2016 review. Only two recommendations from the 2016 review have been implemented i.e the appointment of the Senior Technical Officer (now the acting Manager Infrastructure Services) and re-writing of the Contingency Plan. Although prices were received for CCTV inspection of the reticulation sewers, a contract has not been awarded.</li> <li>• The 2016 AMP was prepared following Quantum Assurance 2014 Review and was being revised during the ERA Inspector's September 2016 visit. Although initial work on the September 2016 AMP appeared promising, during the 2016 review. This 2019 review concludes that an adequate revision or review of the Asset Management System has not been undertaken in accordance with recommendations of the</li> </ul> |   | <p>potentially a new position called Development Services Officer) to move workload off the TO and A/MIS (MIS) position so they can focus on upkeep and upgrade of sewerage infrastructure.</p>  |                |   |
|  |  | <ul style="list-style-type: none"> <li>• The AMP should be thoroughly reviewed, corrected and edited in accordance with any changes resulting from the above revision and the recommendations of this Report.</li> </ul>  | <ul style="list-style-type: none"> <li>➤ Once new positions are filled and responsibilities allocated, AMP will be updated with this information by Shire officers.</li> </ul>   | TO             | 31 October 2020                             |
|  |  | <ul style="list-style-type: none"> <li>• Apart from five yearly revisions of the AMP, a desk-top review of the document should be undertaken annually – including up-dating of the financial and capital expenditure plans. The reviewer's name, review date and details of amendments should be included in the revision sheet.</li> </ul> | <ul style="list-style-type: none"> <li>➤ The TO will undertake the annual desktop review of the AMP to keep financial and position references up to date. Completion of this item is dependent on the consultant to first deliver the financial planning during their review, thus has a later completion date than other AMP in-house revision items</li> </ul> | TO, Consultant | Ongoing, 30 June 2020 for financial portion |
|  |  | <ul style="list-style-type: none"> <li>• Management of the Asset Management System - including overall managerial responsibility and duties of support staff should be reviewed as soon as possible. The review should be undertaken by suitably qualified</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Once vacancies start being filled an independent consultant can review this section of the AMP. Therefore its estimated completion time is tied with the sub-recommendations above.</li> </ul>  | Consultant     | 31 October 2020                             |

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|  | <p>2016 review</p> <ul style="list-style-type: none"> <li>• The AMP remains incomplete, out of date in terms of its financial and capital expenditure planning and contains staff and contact errors. The control sheet at the rear of the document has no revision details, dates, or signatures.</li> <li>• This review states (in Section 7 - Asset Management Information System), that “The system is adequate for the Shire’s sewerage system management”. However, it appears from the issues listed within this report, that the system itself is not adequately managed by the Shire. Management of the system - including the overall managerial responsibility and duties of support staff, should be reviewed as soon as possible. The review should be conducted by a suitably qualified independent person; and the resulting recommendations implemented.</li> </ul> | <p>independent person; and resulting recommendations implemented.</p> |  |  |  |
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