



Notice

1 April 2014

Moama Lifestyle Villages Pty Ltd

2013 ASSET MANAGEMENT REVIEW

The Authority has published the 2013 asset management review (**Review**) report for the water services licence of Moama Lifestyle Villages Pty Ltd (**Moama**). Moama provides sewerage and water recycling services for Tuart Lakes Lifestyle Village in Baldivis.

- [2013 Review report](#)
- [2013 post-review implementation plan](#)

Action by the Authority

The Authority has decided to maintain the period of time until the next Review at 12 months. The next Review will cover the period from 1 October 2013 to 30 September 2014, with the report on the Review to be provided to the Authority by 31 December 2014.

Section 31 Rectification Notice

Clause 20.1 of Moama's water services licence requires Moama to have an asset management system for its water services assets. Section 24(2) of the *Water Services Act 2012 (the Act)* requires the asset management system to include the measures taken by the licensee for the proper operations and maintenance of its water services works.

The Authority is of the view that Moama has contravened clause 20.1 of its water services licence because of the significant deficiencies in Moama's asset management system disclosed in the Review report.

The Authority has decided to give a notice pursuant to section 31(1) (failure to comply with the licence) of the Act (**Rectification Notice**) to Moama. The Rectification Notice will require Moama to rectify the asset management deficiencies disclosed in the 2013 Review report by 30 September 2014. The Authority will publish a further notice when the Rectification Notice has been given to Moama.

BACKGROUND TO THE AUTHORITY'S DECISION

2012 Review

In the 2012 Review, the auditor made 36 recommendations; 24 recommendations addressed process deficiencies, while 12 recommendations addressed process improvements with Moama's AMS. By the time of the 2013 Review, Moama had addressed 33 of the 36 recommendations.



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2013 Review

In the 2013 Review, the auditor made 21 recommendations; 18 recommendations addressed process deficiencies, while three recommendations represent process improvement opportunities.

The combination of the incomplete actions from the 2012 Review and the new issues identified in the 2013 Review indicate that there are still process deficiencies within Moama's AMS that require further attention, including:

- Water samples for the Department of Health were not provided on a required monthly basis during the Review period.
- Significant Wastewater Treatment Plant (**WWTP**) operation and maintenance (**O&M**) issues, such as a high build-up of suspended solids, have been identified by the new O&M contractor, TriStar Water Solutions Pty Ltd (**TriStar**), but they have not yet been fully addressed.
- There is no transition plan for the WWTP beyond Stage 1 of the lifestyle village.
- New risks have been identified that are not included in the risk register.
- Contingency plans have not been tested (apart from when wastewater overflows occurred during the Review period).

There were two series of overflow incidents¹ from Moama's WWTP in 2012-13. Moama was required to provide to the Department of Health an Independent Third Party Engineering Verification (**ITPEV**) in relation to both series of incidents to identify the root cause of the overflows, and recommend remedial actions to prevent WWTP malfunctions in the future. Both ITPEV reports identified a high build-up of suspended solids as root cause for WWTP malfunctions. Moama is currently working with Tristar to address the suspended solids problems.

The Authority requires Moama to rectify all of the process deficiencies identified in the 2013 Review by the end of the next Review period, 30 September 2014. The report on the next Review will be used to assess the actions Moama has taken to address the process deficiencies and improve their overall standard of asset management.

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¹ The first series of overflows occurred in August – September 2012 and the second series in August 2013.