

Ref	Licence Obligation Reference Number Controls and Compliance Rating Legislative Obligation Details of Inadequate Controls and/or Non-Compliance	Auditor's Recommendation	Action proposed to be taken by Lancelin South Pty Ltd	Responsible person(s)	Target completion date
1/2021	• Number: 93; • Rating: A 2; • Obligation: 2018 Code of Conduct, clauses 9(2) and (4) and WL47, clause 4.1.1; and Details: Paxon requested but LSPL did not provide any records to confirm water supply service connections were completed within the 10 business day time interval stipulated in clause 9(2) of the 2018 Code of Conduct.	LSPL should keep proper records of water supply service connections including whether: • Customers complied with all conditions for connection; and • Connections were completed within the 10- business day time interval stipulated in clause 9(2) of the 2018 Code of Conduct. Keeping such records will enable LSPL to show whether it achieved a 90% compliance rate as stipulated in clause 9(4) of the 2018 Code of Conduct.	LSPL will review and amend its record keeping for customer connections as required to ensure the following information is retained (i) date of request of connection; (ii) date customer compliance for connection confirmed; (iii) date of connection.	SW	22/10/2021

Ref	Licence Obligation Reference Number Controls and Compliance Rating Legislative Obligation Details of Inadequate Controls and/or Non- Compliance	Auditor's Recommendation	Action proposed to be taken by Lancelin South Pty Ltd	Responsible person(s)	Target completion date
2/2021	• Number: 100; • Rating: A 2; • Obligation: 2018 Code of Conduct, clause 13(1) and WL47, clause 4.1.1; and Details: 1. Paxon examined a sample of LSPL tax invoices issued during the Audit Period. These tax invoices disclosed the information stipulated in clause 13(1) of the 2018 Code of Conduct except for: • Information which would only be relevant in specific circumstances being: a. The nature and amount of any applicable concession; and b. The amount of any interest or fees charged for late payment of amount outstanding from previous bills. 2. A statement advising the customer that the licensee can be contacted for assistance if the customer is experiencing problems paying the bill (clause 13(1)(n)). This statement was only found on some of the sampled tax invoices. 3. Paxon confirmed by interview of a director of LSPL that, during the Audit Period, no a. Concessions were granted to customers; and b. Interest or fees were charged for late payment of outstanding amounts.	LSPL should ensure its tax invoices comply with all relevant stipulations of clause 13(1) of the 2018 Code of Conduct.	LSPL will review the format and content of our tax invoice and amend as required to comply fully with the 2018 Water Services Code of Conduct	AR	22/10/2021

Ref	Licence Obligation Reference Number Controls and Compliance Rating Legislative Obligation Details of Inadequate Controls and/or Non- Compliance	Auditor's Recommendation	Action proposed to be taken by Lancelin South Pty Ltd	Responsible person(s)	Target completion date
3/2021	• Number: 102A; • Rating: B 2; • Obligation: 2018 Code of Conduct, clause 13(6) and WL47, clause 4.1.1; and Details: Paxon examined a sample of LSPL tax invoices issued during the Audit Period. These tax invoices contained the information stipulated in clause 13(6) of the 2018 Code of Conduct except for information found only on some of the sampled invoices, being: 1. A telephone number for complaints; 2. A Freecall telephone number for the office of the water services ombudsman; 3. A statement that the website contains information about estimates, meter reading and testing, complaints and review; and 4. A statement that the bill can be reviewed in accordance with the licensee's review procedure mentioned in clause 20.	LSPL should ensure its tax invoices comply with all the stipulations of clause 13(6) of the 2018 Code of Conduct.	LSPL will review the format and content of our tax invoice and amend as required to comply fully with the 2018 Water Services Code of Conduct	AR	22/10/2021

Ref	Licence Obligation Reference Number Controls and Compliance Rating Legislative Obligation Details of Inadequate Controls and/or Non- Compliance	Auditor's Recommendation	Action proposed to be taken by Lancelin South Pty Ltd	Responsible person(s)	Target completion date
4/2021	• Number: 116; • Rating: A 2; • Obligation: 2018 Code of Conduct, clause 20(4) and WL47, clause 4.1.1; and Details: LSPL's "<i>Billing Enquiries Procedure</i>", as available on the LSW website, does not refer to alternative complaints' avenues available to customers, being: 1. Contacting the Energy and Water Ombudsman Western Australia is indicated as following a complaint firstly made to LSPL; and 2. Making an appeal from, or applying for a review of, the decision under regulations mentioned in section 222(2)(k) of the Act (no reference at all).	LSPL's " <i>Billing Enquiries Procedure</i> " must be updated to include appropriate references to the alternative complaints avenues available to customers following bill reviews.	LSPL will review the format and content of our " <i>Billing Enquiries Procedure</i> " and amend as required to comply fully with the 2018 Water Services Code of Conduct.	BS	22/10/2021

Ref	Licence Obligation Reference Number Controls and Compliance Rating Legislative Obligation Details of Inadequate Controls and/or Non-Compliance	Auditor's Recommendation	Action proposed to be taken by Lancelin South Pty Ltd	Responsible person(s)	Target completion date
5/2021	- Number: 119; - Rating: A 2; - Obligation: 2018 Code of Conduct, clause 24(1) and WL47, clause 4.1.1; and Details: - Paxon examined a sample of LSPL tax invoices issued during the Audit Period. These tax invoices provided customers with the following payment options: - Centrepay; - Internet (direct deposit and BPay); - Post. - The LSPL webpage entitled: "<i>Ways to Pay Your Bill</i>" only provides customers with the option to pay bills using the internet (direct deposit and BPay) and post.	- LSPL should add bill payments by telephone to its "<i>Ways to Pay Your Bill</i>" as disclosed on its tax invoices; and - The LSPL webpage entitled: "<i>Ways to Pay Your Bill</i>" should also disclose the following bill payment methods: - Centrepay; and - Telephone.	LSPL will implement facility to allow Lancelin South Water customers to pay their bill by phone. LSPL will amend the: <i>Ways to Pay Your Bill</i> section of our tax invoice <i>Ways to Pay Your Bill</i> page on our web site to reflect the ability for customers to pay their bills by telephone	AR	22/10/21
6/2021	- Number: 121; - Rating: A 2; - Obligation: 2018 Code of Conduct, clause 25(1) and WL47, clause 4.1.1; and Details: - Paxon confirmed by interview of a director of LSPL that, during the Audit Period, LSPL received bill payment by direct debit from a single customer; and - Paxon requested but was not provided with proof LSPL obtained expressed consent for this payment method.	LSPL should enter into a direct debit agreement with the customer who currently pays by direct debit to make the arrangement official.	LSPL will formalise, and make record of such arrangement, the current single customer agreement for direct debit payment as required in the Code of Conduct.	AR	22/10/21

Ref	Licence Obligation Reference Number Controls and Compliance Rating Legislative Obligation Details of Inadequate Controls and/or Non-Compliance	Auditor's Recommendation	Action proposed to be taken by Lancelin South Pty Ltd	Responsible person(s)	Target completion date
7/2021	• Number: 144B; • Rating: B 2; • Obligation: 2018 Code of Conduct, clause 43(2) and WL47, clause 4.1.1; and Details: 1. Paxson examined a sample of e-mails given to customers regarding planned service interruptions. The recorded date and time on the sampled e-mails show these e-mails were only sent to customers at the commencement of the planned service interruptions. Consequently, notice of the planned service interruption was not given within the prescribed timeframe.	LSPL should: 1. Give notice of planned service interruptions to customers within the prescribed timeframes; and 2. Implement appropriate controls to help ensure timely notice of service interruptions is given to customers.	LSPL notes that there was only 1 planned service interruption within the review period. The LSPL "Maintenance Works Guidelines" already requires <i>"Where possible, the notice of planned service interruption will be given at least 48 hours in advance (WSCoC 43(2)). Where this is not possible, every effort must be made to advise all residents of a service interruption with as much notice as possible."</i> The requirement for providing notice of planned service interruptions will be added to the Compliance Register. LSPL will, in the future, make every endeavour to ensure that adequate notice is provided to customers prior to any event affecting service provision.	BS	22/10/21

Ref	Licence Obligation Reference Number Controls and Compliance Rating Legislative Obligation Details of Inadequate Controls and/or Non-Compliance	Auditor's Recommendation	Action proposed to be taken by Lancelin South Pty Ltd	Responsible person(s)	Target completion date
8/2021	- Numbers: 144C and D; - Ratings: B 2; - Obligation: 2018 Code of Conduct, clauses 44(1) and (2) and WL47, clause 4.1.1; and Details: - LSPL's "Asset Management Plan" in section 4.4 entitled: "Asset Maintenance" mentions breakdowns and/or failures may require maintenance. However, it does not detail any specific steps and/or activities required to address dealing with and minimising the impact of a burst, leak or blockage in its water supply works or sewerage works; o LSPL's "Customer Service Charter" in the sections entitled "Interruption to Water Supply – Unplanned" and "Property Reinstatement" refer to bursts, leaks or blockages. However, it does not detail any specific steps and/or activities required to address dealing with and minimising the impact of a burst, leak or blockage in its water supply works or sewerage works; and - An LSPL director has stated: <i>"LSW has as-constructed drawings of the drinking water, non-potable water and sewer pipelines. Specific methodologies for repairing bursts or leaks are not documented by LSW but are left within the professional capabilities of the repair contractor, based on the standard procedures of WSAA and other industry bodies."</i>	LSPL should develop and implement comprehensive 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 (in compliance with clauses 44(1) and (2) of the 2018 Code of Conduct).	LSPL will further develop specific procedures to address bursts leaks, blockages and spills in our drinking water, non-potable water and sewerage works as recommended.	BS	19/11/2021

Ref	Licence Obligation Reference Number Controls and Compliance Rating Legislative Obligation Details of Inadequate Controls and/or Non-Compliance	Auditor's Recommendation	Action proposed to be taken by Lancelin South Pty Ltd	Responsible person(s)	Target completion date
9/2021	- Number: 146; - Rating: B 2; - Obligation: 2018 Code of Conduct, clause 46(2) and WL47, clause 4.1.1; and Details: - Paxon interviewed: - Two LSPL directors; and - GHD Technical Consultant. None of these parties could confirm whether the current version of LSPL's "Customer Complaints Procedure" was developed using as minimum standards the relevant provisions of AS/NZS 10002-2014 and the ERA's "Customer Complaints Guidelines: distinguishing customer queries from complaints – December 2016"; and - Paxon examined LSPL's "Customer Complaints Procedure" but could not find any evidence it was developed in compliance with clause 46(2) of the 2018 Code of Conduct.	LSPL should review its "Customer Complaints Procedure" to ensure it was developed using as minimum standards the relevant provisions of: - AS/NZS 10002-2014; and - ERA's "Customer Complaints Guidelines: distinguishing customer queries from complaints – December 2016".	LSPL will review and amend as required our Customer Complaints Procedure to ensure it complies fully with the provisions of - AS/NZS 10002-2014; and - ERA's "Customer Complaints Guidelines: distinguishing customer queries from complaints – December 2016"	BS	22/10/2021
10/2021	- Number: 149A; - Rating: A 2; - Obligation: 2018 Code of Conduct, clause 47 and WL47, clause 4.1.1; and Details: Paxon confirmed by interview of a director of LSPL that, during the Audit Period, LSPL did not: - Inform a customer of the right to apply to the water services ombudsman for a review of a complaint; and - Provide a Freecall telephone number for the water services ombudsman.	LSPL should when it considers a customer complaint as being resolved: - Inform the customer of their right to apply to the water services ombudsman for a review of the complaint; and - Provide a Freecall telephone number for the water services ombudsman.	LSPL will review and amend as required our Customer Complaints Procedure to ensure that close out of a customer complaint includes provision of relevant information to the customer as noted.	BS	22/10/2021

Ref	Licence Obligation Reference Number Controls and Compliance Rating Legislative Obligation Details of Inadequate Controls and/or Non-Compliance	Auditor's Recommendation	Action proposed to be taken by Lancelin South Pty Ltd	Responsible person(s)	Target completion date
11/2021	• Number: 153; • Rating: B 2; • Obligation: 2018 Code of Conduct, clause 49(1) and WL47, clause 4.1.1; and Details: 1. Paxon could not find any references to the following items on the LSPL webpages: a. Services provided by LSPL under clause 48(2) – clause 49(1)(d); b. If a customer is offered a payment plan or other arrangement giving the customer more time to pay the bill or to pay arrears, LSPL's power as mentioned in clause 49(1)(g) can only be exercised if: i. The customer has not accepted the offer within the period of 7 days after the day on which it was made; or ii. Having entered such a plan or other arrangement, the customer does not comply with it. (Clause 49(1)(h)); and 2. Sustainable use of water (clause 49(1)(k)).	LSPL should: 1. Explicitly state in the "<i>Restricting and Restoring Your Water Flow</i>" section in its "<i>Financial Hardship Policy</i>" it may only cut off, or reduce the rate of flow of, a supply of water if a water service charge remains unpaid for 30 days after it becomes due; and 2. Make the information stipulated in clauses 49(1)(d), (h) and (k) of the 2018 Code of Conduct publicly available.	1. LSPL will review and amend as required: a. Our Customer Service Charter to ensure all requirements of CoC 49(1)(d), (h) and (k) (and all other requirements) are included b. Our Financial Hardship Policy to include the limitations on restricting water flow as noted We note that the LS Water web page currently has hyperlinks directly to the Water Services Code of Conduct as well as our Customer Service Charter and Financial Hardship Policy. 2. LSPL will add information on sustainable use of water to the Lancelin South Water web site.	BS	22/10/2021

Ref	Licence Obligation Reference Number Controls and Compliance Rating Legislative Obligation Details of Inadequate Controls and/or Non- Compliance	Auditor's Recommendation	Action proposed to be taken by Lancelin South Pty Ltd	Responsible person(s)	Target completion date
12/2021	• Number: 155; • Rating: B 2; • Obligation: Section 12 of the Act and WL47, clause 4.2.1; and Details: 1. Paxon requested but was not provided with any documentation to confirm LSPL paid the applicable fees and charges in accordance with the <i>Economic Regulation Authority (Licensing Funding) Regulation 2014</i>; 2. Paxon was informed by the ERA that, during the Audit Period, LSPL paid several fees and charges late; and 3. The “<i>Regulatory Compliance Register</i>” acknowledges the obligation recorded in clause 4.2.1 of WL47. However, notwithstanding this control, the LSPL did not comply with this obligation on several occasions.	LSPL should: 1. Pay the applicable fees and charges on time; 2. Keep proper records to prove compliance with its obligations in terms of clause 4.2.1 of WL47; and 3. Strengthen its financial controls to help ensure applicable fees and charges are paid on time and proof of payments is readily available.	1. LSPL will review and amend its financial control system as required to ensure all fees are paid on time. 2. LSPL will review and amend as required our financial recording system to ensure proof of all payments can be readily accessed	AR	22/10/2021

Ref	Licence Obligation Reference Number Controls and Compliance Rating Legislative Obligation Details of Inadequate Controls and/or Non- Compliance	Auditor's Recommendation	Action proposed to be taken by Lancelin South Pty Ltd	Responsible person(s)	Target completion date
13/2021	- Number: 187; - Rating: A 2; - Obligation: Section 12 of the Act and WL47, clause 7.1.6; and Details: - LSPL's Memorandum of Understanding with the Department of Health for drinking water, entered in June 2020 is available on the LSW website; and - Paxon confirmed by interview of a director of LSPL that, during the Audit Period, the identity of the responsible officer as recorded in Binding Protocol 1 to the MOU was changed. Paxon notes the MOU, as it appears on the LSPL's website does not include the series of Binding Protocols.	LSPL should publish the complete MoU and any amendment thereto within one month of signing or making the amendment.	The four (4) Binding Protocols associated with the MoU between DoH and LSPL are all headed with "Not for Publication". Hence LSPL will not be making these publicly available without express consent of the DoH. The only amendment to the MoU within the audit period was to Binding Protocol 1 and hence, was not published on the LSPL web site.		No action
14/2021	- Number: 191; - Rating: B 2; - Obligation: Clause 5(1) of the Family Violence Code and WL47, clause 4.1.1; and Details: - LSPL has a "Family Domestic Violence Policy" (FDV Policy). The FDV Policy does not comply with the stipulations of clause 5(1) of the Water Services Code of Practice (Family Violence) 2020 (Family Violence Code) except for clause 5(1)(g); and - The "Regulatory Compliance Register" does not acknowledge the obligations recorded in clauses 5(1) and (2), 6, 7, 8(1) and (2), 9 and 10 of the Family Violence Code.	- The LSPL's FDV Policy should set out no request for written evidence of family violence will be made of customers unless the evidence is reasonably necessary for assessment purposes (clause 5(1)(g)); and - The "Regulatory Compliance Register" should record the obligations recorded in clauses 5(1) and (2), 6, 7, 8(1) and (2), 9 and 10 of the Family Violence Code.	LSPL will review and amend as required our Family Domestic Violence Policy to ensure it complies with clause 5(1) of the Water Services Code of Practice (Family Violence) 2020 (Family Violence Code). LSPL will update our Regulatory Compliance Register as recommended.	BS	22/10/2021
15/2021	Not within auditor's report		Nil		
16/2021	Not within auditor's report		Nil		

Ref	Licence Obligation Reference Number Controls and Compliance Rating Legislative Obligation Details of Inadequate Controls and/or Non-Compliance	Auditor's Recommendation	Action proposed to be taken by Lancelin South Pty Ltd	Responsible person(s)	Target completion date
17/2021	• Rating: C 2; • Process: Asset Operations; • Effectiveness Criterion: Operational procedures and policies are documented and linked to service levels required; and Details: 1. Operations arrangements are set out in section 4.3 of the AMP. Operation of the water treatment plant (WTP) and the wastewater treatment plant (WWTP) are undertaken by their specialist process contractors. Other operations related tasks including site inspections, sampling and operation data recording are undertaken by LSPL's consultants. 2. Those responsible for operational tasks are clearly set out in Table 10 of the AMP. 3. Reviewer noted that: a. Tasks initially assigned to the consultant Conterra are now undertaken by Urbaqua; b. Operation of the sewage pumping station - hours run meters should be installed in the control box to allow the performance of each pump to be assessed over time; and c. Fortnightly recording of hours of operation for each pump and inspection of the wet well should be monitored and recorded.	1. References to consultants Conterra be corrected to read consultants Urbaqua; 2. Hours run meters for each pump should be installed in the control box; and 3. Fortnightly recording of hours of operation for each pump and inspection of the wet well should be monitored and recorded.	1. LSPL will update our documentation to change references to Coterra to Urbaqua. 2. LSPL disagree that hours run meters will improve performance of the sewerage pumps. A flowmeter is installed on the outlet of the pump station providing indication and record of pump operation. The pumps are installed in a duty standby arrangement – a failure of 1 pump will not limit operation of the sewerage system. The pumps are readily available and can be replaced quite quickly. LSPL do not propose any action. 3. LSPL will further develop specific procedures regarding inspection of the sewerage wet well, pumps and valving.	BS	19/11/2021

Ref	Licence Obligation Reference Number Controls and Compliance Rating Legislative Obligation Details of Inadequate Controls and/or Non-Compliance	Auditor's Recommendation	Action proposed to be taken by Lancelin South Pty Ltd	Responsible person(s)	Target completion date
18/2021	• Rating: C 2; • Process: Asset Maintenance; • Effectiveness Criterion: Maintenance policies and procedures are documented and linked to service levels required; and Details: 1. LSPL provided the Reviewer with copies of maintenance agreements (and associated maintenance schedules) between LSPL and the specialist process installers for the WTP (Novotron Pty Ltd) and the WWTP (Biomax Pty Ltd). A typical inspection report following a maintenance inspection of the WWTP was also provided. Both agreements and schedules should be included in the AMP. 2. Reviewer also noted an absence of maintenance schedules for the: a. Potable and non-potable water reticulation network - checking and flushing to clear stale water, operating valves to avoid jamming etc.; b. Sewerage reticulation system - checking and flushing as required to reduce stranding and blockages due to low flows, annual greasing of access chamber lids to avoid sticking etc.; and c. Sewerage pumping station - responsibility for operation of valves to avoid subsequent jamming, inspection of wet well condition and hose down of walls and fortnightly reading of pump running hours.	1. Maintenance schedules undertaken by specialist process installers for the WTP (Novotron Pty Ltd) and the WWTP (Biomax Pty Ltd) be included in the AMP; and 2. Maintenance for the potable and non-potable water and sewerage reticulation systems and sewage pumping station be implemented and documented in the AMP.	LSPL will review our Asset Management Plan and consider either including maintenance schedules as appendices to the AMP or retention as stand-alone documents referenced from the AMP. Such maintenance schedules include: • water treatment plant, • sewage pump station, • sewage treatment plant, • Potable, non-potable and sewage reticulation systems. LSPL prefer to determine the location of such documents based upon accessibility and ease of updating.	BS	22/10/2021

Ref	Licence Obligation Reference Number Controls and Compliance Rating Legislative Obligation Details of Inadequate Controls and/or Non-Compliance	Auditor's Recommendation	Action proposed to be taken by Lancelin South Pty Ltd	Responsible person(s)	Target completion date
19/2021	• Rating: C 2; • Process: Maintenance; • Effectiveness Criterion: Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule; and Details: 1. All maintenance classifications on the WTP and WWTP are documented and undertaken on time as outlined in item 6.1 above. Maintenance / repair on the water and sewerage reticulation is undertaken by local plumbing and electrical trades companies; and 2. Reviewer noted an absence of documented maintenance schedules for the: a. Potable and non-potable water reticulation network - checking and flushing to clear stale water, operating valves to avoid jamming etc.; b. Sewerage reticulation system - checking and flushing as required to reduce stranding and blockages due to low flows, annual greasing of access chamber lids to avoid sticking etc.; and c. Sewerage pumping station - responsibility for operation of valves to avoid subsequent jamming, inspection of wet well condition and hose down of walls and fortnightly reading of pump running hours.	Further to Recommendation 21/2021 above, that maintenance schedules be prepared for: 1. Potable and non-potable water reticulation network - checking and flushing to clear stale water, operating valves to avoid jamming etc.; 2. Sewerage reticulation system - checking and flushing as required to reduce stranding and blockages due to low flows, annual greasing of access chamber lids to avoid sticking etc.; and 3. Sewerage pumping station - responsibility for operation of valves to avoid subsequent jamming, inspection of wet well condition and hose down of walls and fortnightly reading of pump running hours.	LSPL will further develop specific procedures to address maintenance of potable, non-potable and sewerage reticulation systems as recommended.	BS	19/11/2021

20/2021	• Rating: C 2; • Process: Contingency Planning; • Effectiveness Criterion: Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks; and Details: 1. 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 which was provided to the Reviewer and is considered adequate. The plan has not been included in the AMP as LSPL wishes to retain it as a separate document for wider distribution. Nevertheless, the document should also be included in the AMP as an appendix. 2. Reviewer considers the Emergency Response Plan adequate for the assets involved. However, while the plan identifies activities that should be undertaken for a broad range of emergencies, it does not indicate: a. The sequence of LSPL's individual responses following contact to LSPL's emergency phone number. Presumably LSPL's consultants Urbaqua - which monitors the emergency phone number, will contact a director of LSPL who may contact specialist consultants or contractors to assess and advise action required; b. Who will have overall responsibility for assessing the emergency and initiating the response; c. Who will arrange the response and supervise its implementation; d. Who will initiate any necessary advice to authorities; The contact details for maintenance contractors for the WTP and WWTP whose input would be essential for emergency response at those facilities; and e. A requirement to test the Emergency Response Plan.	1. The sequence of LSPL individual responses following contact with LSPL's emergency phone number should be stated in the Emergency Response Plan; 2. The Emergency Response Plan should state who will have overall responsibility for assessing the emergency and initiating the response; who will arrange the response and supervise its implementation and who will initiate any necessary advice to authorities; 3. The Emergency Response Plan should provide contact details for maintenance contractors for the WTP and WWTP; 4. A requirement to test the Emergency Response Plan; and 5. A copy of the Emergency Response Plan should be attached to the AMP as an appendix.	LSPL will review and amend as required our Emergency Response Plan to fully address the recommendations noted.	BS	22/10/2021
---------	--	---	--	----	------------

Ref	Licence Obligation Reference Number Controls and Compliance Rating Legislative Obligation Details of Inadequate Controls and/or Non-Compliance	Auditor's Recommendation	Action proposed to be taken by Lancelin South Pty Ltd	Responsible person(s)	Target completion date
21/2021	• Rating: C 2; • Process: Financial Planning; • Effectiveness Criterion: The financial plan provides firm predictions of income for the next five years and reasonable indicative predictions beyond this period; and Details: The information provided is not in the format or over the term required.	LSPL should, irrespective of ownership, prepare and implement a long-term financial plan as soon as possible.	LSPL will review and amend as required our <i>Asset Management Plan</i> Section 5 Financial Summary. LSPL will review and amend its <i>Financial Plan</i> to include a long-term capital expenditure estimate.	BS	22/10/2021

Ref	Licence Obligation Reference Number Controls and Compliance Rating Legislative Obligation Details of Inadequate Controls and/or Non-Compliance	Auditor's Recommendation	Action proposed to be taken by Lancelin South Pty Ltd	Responsible person(s)	Target completion date
22/2021	• Rating: C 2; • Process: Capital Expenditure Planning; • Effectiveness Criteria: a. There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates; b. The plan provides reasons for capital expenditure and timing of expenditure; and c. The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan. Details: 1. 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. 2. 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 fairly new, their performance requirements are lower than design and the twelve-months horizon does not invoke planned capital expenditure. In view of the current ownership and proposed sale of the project and assets, the approach is considered reasonable. However, it does not satisfy the requirement of a long-term capital expenditure plan.	LSPL should irrespective of ownership, prepare and implement a long-term capital expenditure plan as soon as possible.	LSPL will review and amend as required our <i>Asset Management Plan</i> Section 5 Financial Summary. LSPL will review and amend its <i>Financial Plan</i> to include a long-term capital expenditure estimate.	BS	22/10/2021

Notes:

LSPL = Lancelin South Pty Ltd

AR = Anthony Raykos, Director, LSPL

SW = Sam Williams, Director, LSPL

BS = Blair Shackleton, GHD, technical consultant to LSPL