

**MINUTES OF THE SPECIAL MEETING OF COUNCIL
OF THE CITY OF TEA TREE GULLY
HELD ON TUESDAY 1 FEBRUARY 2022 AT 8.22PM
IN THE COUNCIL CHAMBERS, 571 MONTAGUE ROAD, MODBURY**

1. Opening and Welcome

The Mayor read the Opening Prayer and Acknowledgement of Country Statement.

2. Attendance Record:

2.1 Present – Physical Attendance

His Worship Mayor K Knight, Crs B Rankine, B Keane, L Jones, O Savvas, R Unger, D Wyld, L Petrie, R Coleman, P Field, S Keane and K Foreman.

Present - Electronic Means (audio-visual link)

Cr J Lintvelt.

2.2 Apologies

Nil

2.3 Leave of Absence

Nil

2.3 Record of Officers in in Physical Attendance onsite

Mr J Moyle	Chief Executive Officer
Mr R McMahon	Director Organisation Services & Excellence
Mr T Harfield	Director Assets & Environment
Ms I Cooper	Manager Governance & Policy
Mrs D Taglierini	Governance Advisor
Mr J Foong	Group Coordinator Water, Waste & Environment
Mr J Robbins	Manager Finance & Rating Operations

Record of Officers in Attendance via Electronic Means (audio-visual link)

Mrs C Neil	Director Community & Cultural Development
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Record of Council's Prudential Advisor – Physical Attendance

Mr M Booth BRM Advisory

2.5 Record of Number of Persons in the Public Gallery

2 Attendees

2.6 Record of Media in Attendance

Nil

3. Public Forum - Nil

4. Deputations - Nil

5. Presentations - Nil

6. Declaration of Conflict of Interests

Pursuant to sections 73 & 74 of the Local Government Act 1999, Cr Savvas declared a material conflict of interest in relation to the matter on the basis that she is a candidate for the upcoming State Election for the seat of Newland, noting transition of CWMS is a matter relevant to the State election and she has been involved with the funding Policy for the labour party. Cr Savvas left the meeting and its close vicinity at 8.31pm while the matter was being discussed and voted on, and left for the remainder of the meeting.

Pursuant to sections 73 & 74 of the Local Government Act 1999, Crs Jones declared a material conflict of interest in relation to this matter on the basis that he has a Community Wastewater Management System (CWMS) connection on his property. Cr Jones left the meeting and its close vicinity at 8.31pm while the matter was being discussed and voted on.

Pursuant to sections 73 & 74 of the Local Government Act 1999, Crs Lintvelt declared an material conflict of interest in relation to this matter on the basis that she has a Community Wastewater Management System (CWMS) connection on her property. Cr Lintvelt left the meeting and its close vicinity at 8.32pm, and left for the remainder of the meeting.

7. Matters for Discussion

7.1 Community Wastewater Management System (CWMS) Final Prudential Report (D22/7392)

Release of Confidential Order from 16 November 2021

Moved Cr Field, Seconded Cr Coleman

That Council authorises the release from Confidential Retention the following Minute and Council Report:

- a. Resolution number 1034 from the Council Meeting 16 November 2021, and
- b. The Council Report from its meeting on 16 November 2021 titled “CWMS Prudential Report Update”.

Carried Unanimously (1112)

Crs Jones, Savvas and Lintvelt were not present for the vote.

During the moving of the motion, the Mayor sought leave of the meeting for Cr Field to have an extension of debating time. Leave was granted.

During the seconding of the motion, the Mayor sought leave of the meeting for Cr Wyld to have an extension of debating time. Leave was granted.

Correspondence from the Minister for Water and Environment and Final Prudential Report

Moved Cr Field, Seconded Cr Wyld

That Council, having considered the Audit Committee report titled “Community Wastewater Management System (CWMS) Final Prudential Report” and dated 1 February 2022, along with their subsequent recommendations, Council resolves:

1. To acknowledge receipt of the letter dated 25 January 2022 from the Minister for Environment and Water as included in Attachment 1 of the abovementioned report.
2. To receive the final CWMS Prudential Report as detailed in Attachment 3 of the abovementioned report and notes that whilst Council’s preferred position of having the Community Wastewater Management System transferred to SA Water from an agreed date, such as 1 July 2022, has not been satisfied:
 - a. Council has been provided with sufficient information to satisfy the requirements of Section 48 of the Local Government Act 1999 and Council’s Prudential Management Policy,

- b. That the Minister for Environment and Water's commitment to meet decommissioning costs for Stages 1 and 2 along with the expressed support to mitigate decommissioning costs associated with this project, implies a commitment to also fund the Stage 3 decommissioning costs,
- c. Council is of the view that the Tea Tree Gully Sustainable Sewers Program is now capable of achieving identified public benefits and the financial risks to Council have been effectively minimised.

Agreement to Proceed with the Tea Tree Gully Sustainable Sewers Transition Plan

- 3. That having considered the Audit Committee report titled "Community Wastewater Management System (CWMS) Final Prudential Report" and dated 1 February 2022, including the:
 - a. Community Wastewater Management System Final Prudential Report in Attachment 3;
 - b. Presentation to the Audit Committee and Elected Members by Mr Mark Booth of BRM Advisory (Prudential Advisor) and the CWMS Project Risk Register as attached to the Minutes;
 - c. Tea Tree Gully Sustainable Sewers Transition Plan in Attachment 2; and
 - d. Letter dated 25 January 2022 from the Minister for Environment and Water in Attachment 1;

Council agrees to the commencement of works associated with the Tea Tree Gully Sustainable Sewers Transition Plan and:

- a. That Council's Chief Executive Officer be authorised to continue with negotiations with SA Water to finalise the draft "Transition Management Agreement, Tea Tree Gully Sustainable Sewers Program" in accordance with Attachment 5 of the abovementioned report, noting that amendments may be required to the agreement prior to execution of the agreement by relevant parties.
- b. That Council's Chief Executive Officer be authorised to continue ~~with~~ negotiations with SA Water and to sign the "Transition Management Agreement, Tea Tree Gully Sustainable Sewers Program" in accordance with the draft included as Attachment 5 of the abovementioned report subject to the Chief Executive Officer being also authorised to make amendments, without changing the overall intent of the Agreement, in order to progress the Tea Tree Gully Sustainable Sewer program.

Correspondence to the Minister for Environment and Water

- 4. That the Council's Chief Executive Officer be requested to write to the Minister for Environment and Water to thank him for his consideration of Council's Community Wastewater Draft Prudential Report and subsequent letter along with his offer, dated 25 January 2022 and to advise him that

Council has resolved to proceed with the Tea Tree Gully Sustainable Sewers Program Transition plan in accordance with this resolution.

Carried Unanimously (1113)

Crs Jones, Savvas and Lintvelt were not present for the vote.

8. Notice(s) of Motion - Nil

9. Question(s) on Notice - Nil

10. Section 90(2) Local Government Act 1999 – Confidential Items - Nil

Cr Jones re-entered the meeting at 8.55pm.

The Mayor declared the meeting closed 8.56pm.

Confirmed.....
Mayor 8 February 2022



CWMS Prudential Report

1 February 2022

City of Tea Tree Gully

Agenda

1. Purpose of a prudential report
2. Scope
3. The Project
4. Background
5. Section 48
6. Conclusions

Purpose

Prudential report

- To ensure elected members have the information necessary to make an informed decision on whether or not to proceed with a project
 - Compliance with Council Prudential Management Policy
 - Requirement of the Local Government Act
- (1) Without limiting subsection (aa1), a council must obtain and consider a report that addresses the prudential issues set out in subsection (2) before the council—
- (b) engages in any project (whether commercial or otherwise and including through a subsidiary or participation in a joint venture, trust, partnership or other similar body)—
- (i) where the expected operating expenses calculated on an accrual basis of the council over the ensuing five years is likely to exceed 20 per cent of the council's average annual operating expenses over the previous five financial years (as shown in the council's financial statements); or
 - (ii) where the expected capital cost of the project over the ensuing five years is likely to exceed \$4 000 000 (indexed); or
 - (iii) where the council considers that it is necessary or appropriate.

Scope

Section 48 of the Local Government Act

- (2) The following are prudential issues for the purposes of subsection (1):
- (a) the relationship between the project and relevant strategic management plans;
 - (b) the objectives of the Development Plan in the area where the project is to occur;
 - (c) the expected contribution of the project to the economic development of the local area, the impact that the project may have on businesses carried on in the proximity and, if appropriate, how the project should be established in a way that ensures fair competition in the market place;
 - (d) the level of consultation with the local community, including contact with persons who may be affected by the project and the representations that have been made by them, and the means by which the community can influence or contribute to the project or its outcomes;
 - (e) if the project is intended to produce revenue, revenue projections and potential financial risks;
 - (f) the recurrent and whole-of-life costs associated with the project including any costs arising out of proposed financial arrangements;
 - (g) the financial viability of the project, and the short and longer term estimated net effect of the project on the financial position of the council;
 - (h) any risks associated with the project, and the steps that can be taken to manage, reduce or eliminate those risks (including by the provision of periodic reports to the chief executive officer and to the council);
 - (i) the most appropriate mechanisms or arrangements for carrying out the project;
 - (j) if the project involves the sale or disposition of land, the valuation of the land by a qualified valuer under the Land Valuers Act 1994.

The Project

CWMS Staged Transition

The staged transfer of CWMS network customers to SA Water for nil consideration and the decommissioning of CWMS assets that are redundant as a consequence of the transition

Background

CWMS Staged Transition

- The City of Tea Tree Gully owns, operates and maintains a Community Wastewater Management System
 - Managed in accordance with OTR standards and approved plans
 - ~ 4,700 customers
 - ~ \$55.63m replacement cost and carrying value of ~ \$45.8m
 - Some assets have estimated useful life up to 100 years
 - ESCOSA require full cost recovery in operations
 - Current approval for 'fix-on-fail' approach
 - Current Service Charge \$745
 - Real cost \$1,038...the difference being borne by all CTTG ratepayers
 - ESCOSA has raised Service Charge issue in transition phase

Background

CWMS Staged Transition

- Sustainable Sewers Transition Plan
 - The Minister for Environment and Water directed SA Water to invest in CTTG's CWMS scheme to convert the system to sewer standard and transition the wastewater service to SA Water
 - SST to be implemented with the agreement of CTTG on terms and conditions acceptable to SA Water
 - SA Water sees no value in CWMS assets
 - SA Water not responsible for decommissioning costs ~\$20m+
 - SST planned in three stages
 - Funding of \$64.1m provided to SA Water to undertake stages one and two (~2,000 properties)
 - Mid-year budget review allocated a further \$8.0m
 - No committed funding for Stage 3 ~56% of CWMS network
 - SA Water implement state-wide charging methodology based on property value

Section 48

CWMS Staged Transition

Requirement of Act	Comment
(a) strategic management plan relationship	Not contemplated in Strategic Plans <ul style="list-style-type: none"> impacts on Community, Environment and Leadership themes Provisions in LTFP and AMP's
(b) objectives of the Development Plan	Not development under PDI Act
(c) contribution to economic development	Positive impact due to construction activity
(d) level of consultation	Not a key decision - Inform process
(e) (f) (g) financial issues	Operational risk reduced, lower cost to ratepayers, some loss of economic value
(h) Risks and risk management	Risk identified and managed
(i) arrangements for carrying out the project	SA Water to progressively take responsibility
(j) the sale or disposition of land	Not relevant

Strategic Management Plans

CWMS Staged Transition

- Strategic Plan
 - Community and Leadership themes
 - Determine how to inform the community
 - Environment
 - Transfers public health and environmental risks
- LTFP and AMP
 - Provisions for on-going operation included
- State Government
 - Ministerial Direction to transition to SA Water

Economic impact

CWMS Staged Transition

- Economic impact of stages 1 and 2

Impact Summary	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type-1 Multiplier	Type-2 Multiplier
Output (\$m)	\$72.000	\$57.449	\$14.295	\$143.744	1.798	1.996
Employment (Jobs)	175	174	60	409	1.994	2.335
Wages and Salaries (\$m)	\$11.305	\$11.905	\$3.270	\$26.480	2.053	2.342
Value-added (\$m)	\$22.031	\$21.249	\$8.303	\$51.583	1.965	2.341

- Not a key driver for the Project
- Unlikely to materially impact businesses in the proximity
- CTTG not running a significant business

Community consultation

CWMS Staged Transition

- SA Water has held information sessions
- Council must consider the level of consultation required
 - Strategic Plan - objectives
 - Community Engagement and Public Consultation Policy
 - Consultation not a legislated requirement
 - Information made available to community through website
 - Policy principle to consult on 'key decisions'
- Impact on the community
 - Non-cash write-off ~3% of asset base
 - Lower operational risk
 - Long term financial benefits
- Not a 'key decision'

Financial impacts

CWMS Staged Transition

- Loss of revenue
 - CWMS Service Charges
 - Developer contributions
 - Return on capital and risk
- No recurrent costs after SST Plan fully implemented
- Financial viability considerations:
 - Write-off of ~ \$45.8m in asset value
 - Need to restructure cost base to manage impact on CWMS ratepayers of reduced scale
 - SST implementation will lower costs of risk and capital
 - Financial indicators all but remain within acceptable ranges

Financial impacts

CWMS Staged Transition

- Indicative impact of restructured cost base

\$'000	FY23	FY24	FY25	FY26	FY27	FY28
Income	3,446	2,744	1,914	1,401	862	294
Expenditure	3,446	2,744	1,914	1,401	981	543
Profit / (Loss)	--	--	--	--	(119)	(249)
Loss on disposal ¹	(1,944)	(9,719)	(11,069)	(6,587)	(6,587)	(6,587)
Service Charge	\$764	\$782	\$807	\$827	\$848	\$869
% Increase	2.55%	2.30%	3.25%	2.49%	2.52%	2.48%

- Impact on CWMS customer base
 - Reduction in Service Charge for vast majority of CWMS customers
 - Higher electricity costs for those requiring low pressure systems
- Impact on all ratepayers
 - Long term removal of subsidy

Risks

CWMS Staged Transition

- CTTG has risk in operating CWMS network
- Risk register developed in accordance with Policy - 52 risks identified
- Key risks
 - Financial impact of the write-off of CWMS asset value ~\$45.8m
 - Future economic value (useful life) of network not realised
 - Lack of equity in transition benefit to CWMS customers
 - Loss of economies of scale in CWMS operations – need to restructure
 - Stage 3 not proceeding
 - Stage 3 decommissioning costs not funded by State Government

Conclusion

CWMS Staged Transition

- The transition to SA Water is consistent with Council's view that such services are not the responsibility of local government
- Staged transition is lacking in equity across the CWMS customer base
- SA Water staged transition provides
 - Financial benefit to CWMS customers who have transitioned
 - Financial certainty over decommissioning costs for Stages 1 and 2
 - State government assurances for Stage 3 and funding of decommissioning
 - Risk of loss of economies of scale if Stage 3 does not proceed
- Financial impact on all ratepayers
 - Write-off of assets with a remaining useful life
 - Possible minor subsidy in later years of transition



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Enter Title/Name of Risk Assessment'

Enter Portfolio' - 'Enter Department/Business Unit Name'

Risk Assessment Team: 'Name(s)'

Date:

Enter Objective/Description of Risk Assessment':

	Rare	Unlikely	Possible	Likely	Almost Certain
Critical	High	High	Extreme	Extreme	Extreme
Major	Medium	Medium	High	High	Extreme
Moderate	Medium	Medium	Medium	High	High
Minor	Low	Low	Medium	Medium	Medium
Insignificant	Low	Low	Low	Low	Low

Risk ID #	Risk Name/Title	Risk Description		Causal Factors	Risk Owner	Heirarchy of Risk	Risk Status	Risk Category	Strategic/ Organisational Objective	Risk Impact	Existing/Current Controls	Control Effectiveness	Risk Evaluation Post Controls - Residual Risk Assessment			Risk Controls/Risk Treatment Options	Description of Proposed Treatment/Risk Controls	Implement By	Treatment Owner
		What could go wrong?	What will cause the risk to eventuate?										Consequence	Likelihood	Risk Rating		What will be additional do to manage the risk?	Date	
1	Future Development Opportunities	Future development is impeded by perception of CWMS system	If CWMS is not upgraded, potentially impeded development in CTTG.	Not Applicable		Organisational	New	Assets and Infrastructure			CWMS AMP addresses transition to sewer standard over a 20 year capital works program. Flow monitoring indicate the system has adequate capacity.	Partially Effective	(2) Minor	(4) Unlikely	Low				
2	Future Network Capacity	Upgraded system does not have the capacity to meet the future needs of the community	low pressure sewer systems not consistent with the strategic plan for the City. Development implications in the Modbury Precinct.	Not Applicable		Organisational	New	Assets and Infrastructure		Low pressure sewer systems not compatible with high density living and commercial properties.	SA Water have indicated high level that gravity sewer is the preferred option and that low pressure sewer systems can be converted to gravity sewer upon redevelopment of a site.	Partially Effective	(2) Minor	(4) Unlikely	Low				
3	Adverse impact on capital works	SA Water project works impact on Council's capital works program causing re-work	SA Water does not inform CTTG on the planned works schedule	Not Applicable		Organisational	New	Assets and Infrastructure		reduce the useful life of infrastructure in particular road and transport assets.	Alignment of capital works program with the Sustainable Sewers Program as far as practicable.	Partially Effective	(2) Minor	(4) Unlikely	Low				
4	Increased financial burden	Increasing financial burden on CWMS ratepayers	As more CWMS customers are transitioned to SA Water there will be a reduction in revenue which may not be proportionate to decrease in the cost to operate the CWMS increasing the financial burden	Not Applicable		Organisational	New	Assets and Infrastructure					(3) Moderate	(3) Possible	Medium	Mitigate	ELT to provide greater financial oversite of the running costs associated CWMS.		
5	Asset Renewal	Transport infrastructure renewal is not progressed in line with AMP		Not Applicable		Organisational	New	Assets and Infrastructure			Impacted works are delayed Reviewed during ABP process		(2) Minor	(4) Unlikely	Low				
6	Stage 1 & 2 transition not completed	Higher CWMS Service Charges needed to cover CWMS costs due to reduction in the number of customers	Stages 1 and 2 are not completed as planned due to the budget provisions being inadequate to undertake all works	Not Applicable		Organisational	New	Financial Management		Higher CWMS Service Charge and/or increased rating cross subsidy		Not Effective	(3) Moderate	(3) Possible	Medium				
7	Stage 3 does not proceed as planned	Higher CWMS Service Charges needed to cover CWMS costs due to reduction in the number of customers	Stage 3 does not proceed as planned due to a lack of SA Government funding	Not Applicable		Organisational	New	Financial Management		Higher CWMS Service Charge and/or increased rating cross subsidy		Not Effective	(3) Moderate	(3) Possible	Medium				
8	Asset write-off	Significant financial write-off of the CWMS asset value	SA Water does not pay for use of CTTG assets	Not Applicable		Organisational	New	Financial Management		Write down will impact operating statement in the FY written off	Stage 1 and 2 focuses on areas where CWMS asset has reached or reaching end of servicable life	Not Effective	(4) Major	(1) Almost Certain	Extreme	Mitigate	SA Water could repurpose some aspects of the network. Transition occurs in line with remaining servicable life of CWMS asset. This will consume some economic value of CWMS asset prior to write-off.		
9	Economic value not realised	Future economic value of current CWMS network is not realised	SA Water decommission existing CWMS network prior to the end of its servicable life	Not Applicable		Organisational	New	Financial Management		Value of CWMS network not fully realised. Impairment will impact operating statement in the FY written off	Stage 1 and 2 focuses on areas where CWMS asset has reached or reaching end of servicable life	Not Effective	(4) Major	(1) Almost Certain	Extreme	Accept	Recognise that for the CWMS transition to proceed, existing assets will need to be written off prior to the end of their servicable life.		
10	Investigate commercial value	Commercial opprtunities presented by alternate service provides are not investigated	Transition process is only available to SA Water	Not Applicable		Organisational	New	Financial Management		SA Water upgrade proposal is not market tested. Will SA Water customer achieve ROI		Partially Effective	(2) Minor	(3) Possible	Medium	Accept	Recognise that for the CWMS transition to proceed, the current proposal would expediate the transition for the community.		
11	Future Increase in Rates	Increase to Rate Revenue over and above expectations to cover shortfall in costs associated with transition	Council has finite resources. Any increase in costs associated with transition would need to be funded through an increase in rate revenue.	Not Applicable		Organisational	New	Financial Management		Higher CWMS Service Charge and/or increased rating cross subsidy		Not Effective	(3) Moderate	(3) Possible	Medium	Mitigate	State government is supportive of mitigating decommissioning costs associated with this project. SA Water ELT to provide greater financial oversite of the running costs associated CWMS.		
12	Increased Cost Base	Increase in Council cost base due to loss of revenue source		Not Applicable		Organisational	New	Financial Management				Effective	(3) Moderate	(3) Possible	Medium				
13	Saintary Easements	On property saintary easements		Not Applicable		Organisational	New	Legal/Regulatory		Impact on future development orproperty improvements due to easements. Damage to SA Water infrastructure in easements due to property improvements.	The location of sanitary draiange easements can be located on each property through the OTR Sanitary Drainage website. This information is public information. This control does not address the restrictions imposed on property owners who desire property improvements. Property owners accept the easements as part of the SA Water agreement process. Not transferable to future property owners.	Partially Effective	(2) Minor	(4) Unlikely	Low				
14	Property Owners Refuse to Transition	Some landowners are resistant to the transition	Land owners do not connect SA Water Sewer System	Not Applicable		Organisational	New	Legal/Regulatory				Effective	(1) Insignificant	(5) Rare	Low				
15	Asset Policy Compliance	Council is not adhering to the Asset Policy with regard to disposal of asset		Not Applicable		Organisational	New	Legal/Regulatory				Effective	(2) Minor	(2) Likely	Medium				
16	Limited Existing Easements	Easement are not in place for existing infrastructure on private property	Statutory easement is extinguished once CWMS system is ecomissioned	Not Applicable		Organisational	New	Legal/Regulatory		Financial impact on Council to decommission CWMS infrastucture under the current Sustainable Sewers Program. Future liability for Council if not decommissioned in accordance to approved Plan.	Transfer existng SWMS system to SA Water Decommission existing infrastructure to Australian standards or approved Performance Solution as detailed in the Decomisioning Plan	Partially Effective	(3) Moderate	(3) Possible	Medium				
17	Liability attributed to CWMS legacy assets	Future onging liability with legacy assets		Not Applicable		Organisational	New	Legal/Regulatory		Mainly risk to public health and the environment if assets are not decommioned appropriately.	CWMS infrastrucutre Included in Section 7 land search and Dia.1 before you dig.	Partially Effective	(3) Moderate	(3) Possible	Medium	Transfer	SA Water undertake the decommissioning process directly		
18	Abandoned assets	Legal risk of leaving abandoned CWMS network pipes etc on private property	neither Council or SA Water remove redundant CWMS assets from private property	Not Applicable		Organisational	New	Legal/Regulatory		Mainly risk to public health and the environment if assets are not decommioned appropriately.	CWMS infrastrucutre Included in Section 7 land search and Dia.1 before you dig.	Partially Effective	(3) Moderate	(3) Possible	Medium	Transfer	SA Water will undertake and fund the decommissioning process directly		
19	Statutory Noncompliance	Statutory noncompliance (ESCOSA, OTR)		Not Applicable		Organisational	New	Legal/Regulatory				Partially Effective	(2) Minor	(4) Unlikely	Low				
20	Management of easements	Resources required to manage easements due to decommissioning of CWMS infrastructure	When CWMS infraststructure is made redundant.	Not Applicable		Organisational	New	Legal/Regulatory		SA Water undertake the decommissioning process directly	There are standard Codes of Practice for decommissioning CWMS Infrastructure. SA Water has not committed to decommissioning to standards and codes. Include in the SA Water agreement that current property owners waver any Council liability relating to redundant CWMS infrastructure.		(2) Minor	(2) Likely	Medium	Council staff are developing a Decomisioning Plan for the CWMS Scheme which will be submitted to OTR and SA Health for consideration and approval. The Decomisioning Plan will setout the requirements for the appropriate decommissioning of CWMS Infrastructure. Once setout, this will provide a better indication of the cost of decommissioning infrastructure. The OTR and SA Health are not opposed to considering performance solutions outside of the standard Codes and Practices set out in the AS3500 and WSA 02.	SA Water will undertake and fund the decommissioning process directly		
21	Loss of Tree Canopy	Loss of tree canopies as the transition progresses	SA Water has easement over connections across road verges	Not Applicable		Organisational	New	Natural Environment/Sustainability			Tree replanting program. Pending grant application.	Effective	(3) Moderate	(4) Unlikely	Medium				

22	Sediment and Silt Control	Sediments and silt run-off is not managed during upgrade.	SA Water and contractors do not put adequate controls in place to mitigate sediment run-off during construction	Not Applicable	Organisational	New	Natural Environment/Sustainability			EPA requirements and silt and sediment control plan. Compliance monitoring.	Effective	(1) Insignificant	(5) Rare	Low				
23	CTTG Staff Impact	CTTG CWMS Team - uncertainty regarding future	CTTG staff are not involved in transitioning planning process. Ongoing communication with regard to the transition does not occur to impacted staff	Not Applicable	Organisational	New	People and Culture			Transition Planning Communication/updates with Team	Effective	(1) Insignificant	(5) Rare	Low				
24	Redundant Workforce	Some CWMS staff will may longer have a job requiring retraining or reduction in workforce	CTTG specialist staff no longer required	Not Applicable	Organisational	New	People and Culture			Transition Planning Communication/updates with Team	Effective	(1) Insignificant	(5) Rare	Low				
25	S.P.O.D.	Key person, single point of dependency		Not Applicable	Organisational	New	People and Culture			BCPs, steering committee.	Effective	(1) Insignificant	(5) Rare	Low				
26	Community expectations	Community expectations not met	Transfer of CWMS customers to SA Water takes longer than expected	Not Applicable	Organisational	New	Reputation			Community Engagement, Comms Plan	Partially Effective	(3) Moderate	(3) Possible	Medium	Transfer	SA Water responsible for implementing the Sustainable Sewers program.		
27	Service Expectations	The system delivered does not meet community expectation - i.e. more problematic than CWMS	The proposed pump system and reservoir is not in line with existing SA Water sewer service	Not Applicable	Organisational	New	Reputation			SA Water have indicated that the community has been educated on the pump system. Provided assurance that they will pay for the additional cost for operating the pump system, owners not required to pay. Need to be established in the Heads of Agreement.	Effective	(2) Minor	(5) Rare	Low	Transfer	SA Water responsible for implementing the Sustainable Sewers program.		
28	Sockage Trenches Excluded	Households with sockage trenches are excluded from transition plan	Residents will be required to pay an SA Water about the service charge	Not Applicable	Organisational	New	Reputation			Can apply for loan from Council if property owner decides they want to connect.	Effective	(1) Insignificant	(3) Possible	Low				
29	Increase to Future CWMS Service Charge	Increase to CWMS service charge should future stages of transition not occur	Annual cost of maintaining system is spread across a lower number of users connect to CWMS. State Government has not committed to Stage 3 funding.	Not Applicable	Organisational	New	Reputation			ELT have raised concerns with both State Government and the Opposition, ESCOSA.	Partially Effective	(4) Major	(4) Unlikely	Medium	Transfer	Stage 3 of the Sustainable Sewers Program will be funded from the 24-28 regulatory period.		
30	Adverse Media Coverage	Adverse media coverage due to Council decision	If Council decides not to proceed with the Transition Plan.	Not Applicable	Organisational	New	Reputation			Comms Plan needs to be developed prior to decision/Council meeting.	Partially Effective	(4) Major	(4) Unlikely	Medium				
31	Adverse Political Statements	Adverse political statements if transition does not proceed		Not Applicable	Organisational	New	Reputation			Comms Plan needs to be developed prior to decision/Council meeting.	Partially Effective	(4) Major	(4) Unlikely	Medium				
32	Relationship with State Government	Potential impact of future relationship with State Government	Lost of grant fundings.	Not Applicable	Organisational	New	Reputation				Partially Effective	(3) Moderate	(4) Unlikely	Medium	Mitigate	Progress approval of transition plan		
33	Alternate Contractor Performs Upgrade	Council does not proceed with SA Water Transition Plan but an alternate third party	Third party provides a more compelling and economically viable solution	Not Applicable	Organisational	New	Reputation				Partially Effective	(2) Minor	(5) Rare	Low				
34	Customers do not Benefit from SA Water Service Charge	A delay in transitioning network to SA Water would result in CWMS customers not benefit from SA Water service charge	Delay in transition residents with SA Water Sewer	Not Applicable	Organisational	New	Reputation			Council's position is for all CWMS customer to be transitioned to SA Water as of 1 July 2022.	Partially Effective	(3) Moderate	(4) Unlikely	Medium	Mitigate	Progress approval of transition plan		
35	State Government Commitments & Expectations not Leveraged	Council does not leverage commitments and expectations set by Government.		Not Applicable	Organisational	New	Reputation			We have been acting in good faith, responding to email and communicating to community.	Partially Effective	(3) Moderate	(4) Unlikely	Medium				
36	Principle Spokesperson	Current Principle spokesperson alignment to Labor Party		Not Applicable	Organisational	New	Reputation			CEO management of elected members. Balance commentary where possible.	Partially Effective	(3) Moderate	(3) Possible	Medium				
37	Political relationships	Political relationships of Elected Members		Not Applicable	Organisational	New	Reputation				Partially Effective	(3) Moderate	(3) Possible	Medium				
38	Elected Member Unity	Lack of shared unity across EM		Not Applicable	Organisational	New	Reputation				Partially Effective	(3) Moderate	(3) Possible	Medium				
39	Elected Member Understanding of Transition	Elected Member understanding of the issues associated with transition		Not Applicable	Organisational	New	Reputation			Workshops, frequent communication regarding key issues	Partially Effective	(3) Moderate	(3) Possible	Medium				
40	Community does not agree with transition plan	Wider Community does not agree with SA Water transition plan	Non CWMS residents do not engage with the transition process	Not Applicable	Organisational	New	Reputation			Community education and communication	Partially Effective	(3) Moderate	(4) Unlikely	Medium	Mitigate	Progress approval of transition plan that is agreeable to the wider community		
41	Community Engagement	Engagement with community does not achieve desired level of engagement	Engagement strategy not sufficiently defined	Not Applicable	Organisational	New	Reputation			Communication strategy	Partially Effective	(3) Moderate	(3) Possible	Medium	Mitigate	Progress approval of transition plan that is agreeable to the wider community		
42	Meeting project timeframes	SA Water sets unrealistic timeframes for decisions which require Council approval		Not Applicable	Organisational	New	Reputation				Partially Effective	(2) Minor	(4) Unlikely	Low				
43	Decommissioning of redundant CWMS infrastructure	Impact to property owner		Not Applicable	Organisational	New	Reputation			Agreement between SA Water and Property owner for on-property work	Partially Effective	(2) Minor	(4) Unlikely	Low	Transfer	SA Water undertake the decommissioning process directly		
44	Misinformation	Perception of misinformation from Council/SA water or disconnection between information provided by SA Water and Council		Not Applicable	Organisational	New	Reputation				Partially Effective	(2) Minor	(4) Unlikely	Low				
45	Remediation Works	Streetscape not returned to pre upgrade standard or meet community expectation		Not Applicable	Organisational	New	Reputation			Alignment of capital works program with the Sustainable Sewers Program as far as practicable.	Partially Effective	(2) Minor	(4) Unlikely	Low	Mitigate	Undertake road resurfacing works as required following completion of upgrade. Funding has also been secured to completed replacement/installation of tree plantings		
46	Internal Communications	Misinformation to residents (development)	Staff members, social media	Not Applicable	Organisational	New	Reputation			Review of Council website to ensure information is up to date. Comms Plan	Partially Effective	(3) Moderate	(4) Unlikely	Medium				
47	CWMS Network not replaced in line with CWMS AMP	Existing CWMS network that has reached end of serviceable life, would not be replaced in line with CTTG AMP	Transition plan does not proceed or at a slower rate	Not Applicable	Organisational	New	Service Delivery			Repair on failure. Monitoring network performance.	Partially Effective	(3) Moderate	(4) Unlikely	Medium	Mitigate	ELT to provide greater financial oversight of the running costs associated with CWMS.		
48	Service expectations	Augmenting existing infrastructure to meet future demand of the City		Not Applicable	Organisational	New	Service Delivery			SA Water is responsible for ensuring that their design accommodate for future growth. In the Heads of Agreement that SA Water should take into consideration future growth as one of the design considerations.	Partially Effective	(3) Moderate	(4) Unlikely	Medium				
49	Unintended Service Disruptions	Unintended negative impact on customers during transition (electrical switchboard upgrade)		Not Applicable	Organisational	New	Service Delivery			Heads of agreement. Set expectations with property owners through agreement. SA Water has yet to commit to pay for the switchboard upgrade. Council have provision to provide loans for switchboard upgrade if required for sewer conversion.	Partially Effective	(1) Insignificant	(5) Rare	Low				
50	Service Expectations	Recent developments install CWMS system, only to have it removed as part of SA Transition		Not Applicable	Organisational	New	Reputation			Council refers development applications to SA Water for comment.	Partially Effective	(2) Minor	(4) Unlikely	Low	Mitigate	Fix on fail rather than replace existing CWMS network		
51	CWMS network decommissioning	The CWMS network will need to be decommissioned in accordance with SA Department for Health and Wellbeing regulations Potential legal risk from redundant CWMS infrastructure on private land as per advice from CTTG lawyers		Not Applicable	Organisational	New	Financial Management			Council is developing a Decommissioning Plan for the consideration of Department of Health. This should limit Council's liability to future claims. Agreement between SA Water and Property Owner to indemnify Council against claims relating to redundant CWMS infrastructure with current owner.	Partially Effective	(4) Major	(4) Unlikely	Medium	Mitigate	SA Water will undertake and fund the decommissioning process directly		
52	CWMS network decommissioning costs	\$8.0 million not sufficient for SA Water to cover the decommissioning costs for the remainder of the current regulatory period		Not Applicable	Organisational	New	Legal/Regulatory		SA Water cannot complete the decommissioning of the CWMS network as the transition to sewer occurs	State Government have indicated that should additional funding be required, an allocation will be made in the 24-28 regulatory period	Effective	(2) Minor	(4) Unlikely	Low	Mitigate	SA Water will undertake and fund the decommissioning process directly		

Please Note - More rows can be added if required