

SEPTIC TANK EFFLUENT DISPOSAL SCHEMES (STEDS)

1. Background

This report to the Forum provides an update on the STEDS Reform program being progressed by the OLG and the LGA with the assistance of the STEDS Advisory Committee. It is anticipated that results of a number of investigations and pilot projects will be available for more intense scrutiny at the final meeting of the Forum for 2004.

2. Interim Funding Arrangements

As endorsed at the June meeting of the Forum, the basis for the interim funding arrangements for new STEDS for 2004-05 and 2005-06 have been agreed, building on the expected direction of reform in the STEDS sector. The LGA and the OLG are working on details of the application of this agreement to councils on the waiting list for new schemes. In particular, detailed modelling will be undertaken for new schemes for Moonta and Moonta Bay (District Council of Copper Coast) to determine the precise impact of the interim funding model, including implications for DC Copper Coast and the other councils on the waiting list.

It is expected that this work will be well progressed, if not completed, by the time of the Forum meeting, and a verbal update will be provided.

3. Aggregation and Private Sector Pilot Project

The Central Local Government Region has been selected to pilot the feasibility of managing STEDS on an aggregated basis across a region, also including the potential for private sector involvement, to assess the extent of efficiencies and/or performance improvements that may be possible. These options were identified in the 2002 STEDS Review report but have not been evaluated in "real world" conditions.

The Region has commissioned two firms to undertake the feasibility study with work to commence in early August 2004. The feasibility study work is expected to take at least two months to complete with an additional period of time being scheduled for independent verification of the outcomes of the feasibility study to determine the potential for application across the whole State.

4. Information Package

OLG has been working on the development of a 'STEDS Information Package' on behalf of the STEDS Advisory Committee. The first version of the package prepared for councillors of councils **with existing STED schemes** is currently being "tested" with some sample councils to ensure the message is clear.

The purpose of this package is to collate a brief and non-technical overview of the many aspects of STEDS for the use of elected members, highlighting critical issues and choices for councils with existing schemes. A more detailed description of the technical and financial issues has been prepared for council staff and other interested groups. The STEDS Advisory Committee is currently considering options for distributing and reinforcing the content of the information package through an engagement strategy with councils.

Subsequent versions of the information package will be developed for different audiences including:

- councils considering the installation of a new STEDS;
- the general public - one for existing STEDS and one for new STEDS.

The aim of these tools is to assist in focusing councils' attention on the STEDS reform process overall, and on the particular issue of STEDS charges.

5. Audit Template

As reported at the June Forum meeting, the STEDS Advisory Committee has also commissioned work to produce an "audit template" for existing STED schemes. The template will be designed to enable councils to conduct a thorough review of the state of their own infrastructure using industry standard estimates of asset life and performance requirements. This will enable councils to establish an accurate whole of life cost estimate for each scheme, specific to the age, location, topography and other features of each STEDS.

Work on the template by consultants has taken much longer than anticipated. A draft has been prepared and is to be discussed by the STEDS Advisory Committee at its next meeting on 25 August 2004.

6. Recommendation

That the Forum note the progress on the range of activities underway in the STEDS Reform project and request that the final Forum meeting for 2004 be adopted as the target time for significant future directions to be discussed.