

SEPTIC TANK EFFLUENT DISPOSAL SCHEMES (STEDS)

1 Background

The STEDS program has been the subject of extensive investigations since first being referred to the Forum in 1 July 2003. It is now appropriate for the Forum to receive a detailed presentation on the scope of work undertaken, findings to date and outstanding tasks to be completed.

The STEDS Reform project has been facilitated by the STEDS Advisory Committee (SAC), a group comprised of Local and State Government representatives reporting to the Minister for State/Local Government Relations, the President of the LGA and the Forum. The SAC is chaired by Mayor Rod Thomas (Renmark Paringa Council).

As Mayor Thomas is unable to be present at the Forum meeting on 6 April 2005, Mr Richard Crabb (Program Co-ordinator, STEDS Reform at the LGA and Executive Officer to the SAC) will oversee the presentation of the briefing with assistance from others contributing to the work of the SAC.

2 Issues to be Covered

The briefing will outline the following past and proposed future milestones in the development of STEDS:

- A brief history of STEDS in South Australia – 1962 – 2002;
- LGA role in managing the construction program according to the STEDS agreement;
- Major Review Report – *Review of STEDS in South Australia* – January 2003;
- Establishment of STEDS Advisory Committee (August 2003) and referral to the Forum;
- Confirmation of the levels of State Government funding for two years (late 2003);
- Sustainable price modelling work - early 2004;
- Transitional Funding Arrangements incorporating reform principles – Minister and LGA President - mid 2004;
- LGA encourages councils to tackle STEDS reform – economic and operational sustainability – October 2004;
- Development of draft State Government Policy Discussion Paper 2004-05;
- Outcomes of the comprehensive audit of existing STEDS - February 2005;
- SA Water price modelling project; Revenue raising options for councils - 2004 – 05;
- Aggregation of STEDS – private sector Involvement – pilot project – May 2005;
- Re-assessment of need for new STEDS – May 2005;
- Regional STEDS information sessions – April – May 2005;
- Implementation of reform – existing schemes – July 2005 – June 2006;
- Re-use of STEDS wastewater for irrigation to reduce demand on the River Murray– 2005-06
- Relationship of the management of STEDS to other matters including:
 - the State Infrastructure Plan; and,

- the *Local Government (Financial Management and Rating) Amendment Bill 2004* and proposed requirements for all councils to have long term infrastructure and asset management plans - mid 2005;
- Recognition of the financial support to the reform of STEDS provided by the Forum – 2004 - 2006;
- **Development of long term policy position and funding arrangements for consideration of LGA and Government - June – September 2005.**

3 Summary and Next Steps

3.1 Summary

There will be an opportunity for members to ask questions and comment on the next steps at the conclusion of the briefing. One of the most important interim conclusions that will be presented for the consideration of the Forum is that:

- Existing STEDS
Councils with existing STEDS will need to tackle the questions of the financial and operational sustainability if they wish to be part of any reformed STEDS management arrangements. No new entity (private or public) to manage multiple STEDS on a regional or statewide basis is likely to ‘take over’ assets which are degraded or which have an unsustainable revenue stream. Councils which do not address financial and operational reforms of their STEDS will be unable to maintain them to regulatory standards in the medium to longer term.
- New STEDS
While the Government has not yet considered its long term policy position in relation to STEDS (past 2005-06), it is already clear that any new STEDS proposals will need to be rigorously assessed against criteria including:
 - the public health risks of the existing conditions;
 - the environmental hazards of the existing conditions;
 - economic benefits to the region from tourism, aquaculture and other development;
 - clear evidence that there is no satisfactory, cost – effective alternative to a communal waste water solution.

3.2 Next Steps

Over the next three to six months, the STEDS Advisory Committee proposes to:

- undertake and complete the council awareness and information phase of the reform package outlined in the briefing, through the regional information sessions and associated information and other tools to assist councils with existing STEDS;
- commence the program to encourage and assist councils to conduct audits of **all individual STEDS** in the State based on the highly successful audits conducted in December 2004 – January 2005;
- develop an implementation plan to assist councils make the necessary transitions to achieve economically and environmentally sustainable **existing STEDS** over time;
- apply the findings of the Central Local Government Region pilot project to test, on a regional and statewide basis, the feasibility of aggregated management of STEDS, including the possible involvement of the private sector;

- complete the review of the outstanding demand for **new STEDS** to quantify the expenditure required and how it might be funded and prioritised;
- examination of the opportunities to retrofit/upgrade existing STEDS lagoons to allow increased re-use of wastewater for irrigation.

During the same time horizon (three to six months), informed by the findings of the STEDS Advisory Committee projects, the State Government will consider a long term policy position in relation to STEDS, including the nature, targeting and extent of any State Government funding after 2005-06.

4 Recommendations

That the Forum:

- 4.1 Note the progress of the STEDS reform program and endorse the achievement of the milestones completed to date;**
- 4.2 Provide comment on the briefing on the STEDS reform program and on the proposed “Next Steps” outlined in 3.2 above;**
- 4.3 Subject to 4.2 above, endorse the continuing contribution of financial and other resources of the Forum to the STEDS Advisory Committee for the implementation of the “Next Steps”;**
- 4.4 Request a report at the next meeting of the Forum on the progress of a long term policy position and funding arrangements for STEDS, for consideration by State and Local Government.**