

Lucindale Community Waste Management Scheme (CWMS) Management Plan 2020 - 2030



What Council Provides

The Lucindale Community Waste Management Scheme (CWMS) was commissioned in 1987 to service approximately 222 properties in Lucindale. The total cost of the project was \$602,000. This was paid for through a government grant of \$484,000 and a loan of \$118,000 paid off over a 10-year period (repaid in September 1997).

Along with 34 other Councils, the Naracoorte Lucindale Council took advantage of the option of a subsidised audit in 2004. GHD Pty Ltd audited the Lucindale CWMS. Charges for the Scheme were reviewed as a component of the audit and service fees increased over a 10-year period to protect the sustainability of the system going forward.

Under legislation, all fees raised for the CWMS that are unspent must be held in reserve for future expenditure on the Scheme. The balance of the reserve as at 30 June 2020 was \$521,144. The balance of the reserve is forecast to be \$1,145,887 as at 30 June 2030.

The lagoons are on land that is owned freehold by the Naracoorte Lucindale Council and are excluded from community land classification.

Strategic Context

By 2026 NLC will be:

The best place in regional South Australia to live, work, do business, raise a family and retire.

Created by having a Prosperous Community with Healthy Landscapes, Liveable Neighbourhoods and a focus on Harmony and Culture.

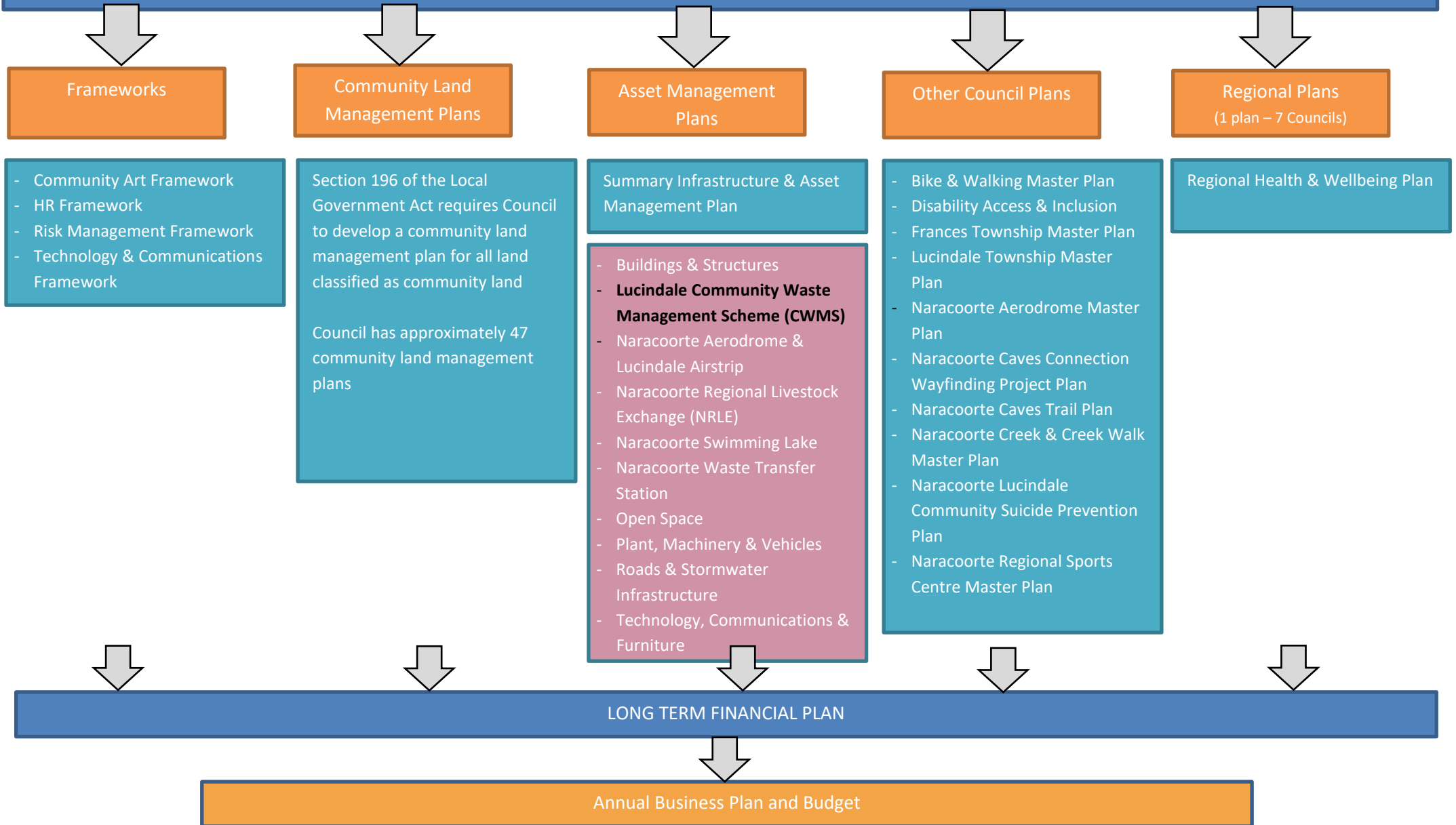
An organisation known for:

Progressive Leadership with strong community connections, efficiently managing our shared assets, services and natural resources.

The fifth theme, **Progressive Leadership**, focuses on Council as an organisation and what is required for it to be effective in the various roles that it has to play in the community.

- Progressive and representative Elected Member leadership
- Organisational excellence
- **Sustainable community finances and assets**
- **Effective delivery of projects and services**
- Effective community communication and engagement
- Engage external stakeholders to leverage local opportunities
- Council is a preferred employer

NARACOORTE LUCINDALE COUNCIL STRATEGIC PLAN



Assets

Assets at the Lucindale CWMS were revalued as at 1 July 2017 by AssetVal Pty Ltd based on the principle of written down replacement value. Accordingly, total replacement value, total economic working life and residual economic working life were reliably established for each asset and the financial records of Council were restated in accordance with applicable Australian Accounting Standards.

Infrastructure	Number	Estimated Total Useful Life**	Estimated Remaining Life** as at 30.06.20	Estimated Replacement Cost
Connections		60	27	24,360
- Occupied				
- Vacant				
100mm uPVC gravity main	6511 metres	60	27	970,139
40mm uPVC gravity main	126 metres	60	27	9,954
Rising Mains 100mm uPVC Class 6	4237 metres	60	27	754,756
Manholes	5	60	27	16,000
Flushing Points		60	27	117,300
Pump Sheds				
- Pump Shed 1		30	4	6,300
- Pump Shed 2		30	13	6,300
- Pump Shed 3		30	13	6,300
- Pump Shed 4		30	4	6,300
- Pump Shed 5		30	4	6,300
Oxidation Lagoon				
- Lagoon	1	80	45	433,680
- Koenders Generation Windmill	1	60	45	1,900
Diversion Fencing		100	57	33,390
Evaporation Lagoon	1	100	57	1,204,280
Perimeter Fencing	900 metres	50	27	81,000
TOTAL				\$3,678,259

** This is the estimated remaining life of the infrastructure; however, components of the infrastructure may have a longer expected life (eg. sub-pavement of lagoon)

Pumps	Number	Estimated Total Useful Life	Estimated Remaining Life as at 30.06.20	Cost
Pumps				
- Pump Shed 1	2	20	12	22,276
- Pump Shed 2	2	20	13	25,890
- Pump Shed 3	2	20	14	7,293
- Pump Shed 4	2	20	9	25,000
- Pump Shed 5	2	20	14	8,176
TOTAL				\$88,635

GRAND TOTAL				\$3,766,894
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What Does It Cost

There are two key indicators of cost to provide the Community Waste Management Scheme (CWMS) at Lucindale. The average cost of existing assets for the term of this plan and the total planned expenditure on existing assets required to deliver current service levels in the next 10 years.

The average cost of existing assets for the term of this plan (maintenance plus depreciation) of the Community Waste Management Scheme (CWMS) is estimated at \$84,003 per annum.

Council's average planned expenditure on existing assets (maintenance plus capital renewal) over the life of this plan is \$36,713 per annum which gives a sustainability index of 44% (this is because the renewal expenditure identified as warranted over the period of this plan is less than the depreciation for the same period).

The total forecast expenditure to provide the Community Waste Management Scheme (CWMS) over the period of this plan is \$463,757 (incorporates maintenance, operating, debt servicing and capital [renewal & new]).

This is an average of \$46,376 per annum.

Forecast Income

Operating

Operating Income includes fees and charges for access to the Community Waste Management Scheme (CWMS). The Service Charge for connection to the CWMS is included on Council's annual rate notice. Interest is also earned in relation to the funds held in the reserve account.

Unexpended income is transferred to a reserve account annually at 30 June.

The current forecast operating income for the term of the plan is \$1,088,501.

Capital

There is no forecast capital income for the term of the plan.

Loan Borrowing

There are no new loan borrowings forecast for the term of the plan.

Forecast Expenditure

Operating

Operating includes costs associated with operating the Community Waste Management Scheme (CWMS) and includes costs such as the EPA Licence, electricity and insurance. This can also include internal costs, such as staff and plant.

The current forecast operating expenditure incurred for the term of the plan is \$96,631.

Maintenance

Maintenance includes costs associated with maintaining the Community Waste Management Scheme (CWMS) and includes pump shed maintenance, pipe & pump maintenance, maintenance of the lagoon and desludging of septic tanks. This can also include internal costs, such as staff and plant.

The current forecast maintenance expenditure for the term of the plan is \$237,731.

Depreciation

The current forecast depreciation for the term of the plan is \$602,300.

Debt Servicing Costs

There are no debt servicing costs for the term of the plan.

Capital (Renewal)

Capital (Renewal) are capital costs associated with renewing or replacing current assets.

The Asset Revaluation undertaken by AssetVal Pty Ltd has been used to establish the expected timeframe for renewal of assets.

Pumps are valued at cost, with an estimated life span of 10 years.

The current forecast capital (renewal) expenditure for the term of the plan is \$129,395

	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
Pump Shed 1 – Centenary Avenue					6.7k					
Pump Shed 4 – Urrbrae Avenue					6.7k					
Pump Shed 5 – Banksia Street					6.7k					
Pumps – Shed 1										
Pumps – Shed 2										
Pumps – Shed 3										
Pumps – Shed 4										30k
Pumps – Shed 5										
Raising Main #1 – 500 metres from pump station 1 towards field days site**				79k						
TOTAL				\$79K	\$20k					\$30k

** Based on revaluation data this section of pipe is not due for renewal until 2047, however, due to intermittent leakage it has been brought forward for consideration in 2023-24.

Capital (New)

Capital (New) are capital costs associated with upgrading current assets or adding new assets.

There are no capital (new) costs for the term of the plan.

Summary

Income is indicated by () in the tables below.

CWMS	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
Operating Income	(99,409)	(101,397)	(103,425)	(105,494)	(107,603)	(109,756)	(111,951)	(114,190)	(116,473)	(118,803)	(\$1,088,501)
Operational Expenses	8,825	9,002	9,182	9,365	9,552	9,744	9,938	10,137	10,340	10,546	\$96,631
Maintenance	14,000	39,280	15,066	15,367	15,674	41,988	16,827	17,164	17,507	44,858	\$237,731
Depreciation	55,006	56,106	57,228	58,373	59,540	60,731	61,946	63,185	64,448	65,737	\$602,300
Capital Income	-	-	-	-	-	-	-	-	-	-	-
Renewal / Replacement	-	-	-	79,060	20,458	-	-	-	-	29,877	\$129,395
New / Upgrade	-	-	-	-	-	-	-	-	-	-	-
NET	(\$21,578)	\$2,991	(\$21,949)	\$56,671	(\$2,379)	\$2,707	(\$23,240)	(\$23,704)	(\$24,178)	\$32,215	(\$22,444)

	Cost of Existing Assets for Term of This Plan	Planned Expenditure on Existing Assets	Sustainability Index	Total Forecast Expenditure
Operating Income	-	-		-
Operational Expenses	-	-		96,631
Maintenance	237,731	237,731		237,731
Depreciation	602,300	-		-
Debt Servicing Costs	-	-		-
Internal Loan	-	-		-
Capital Income	-	-		-
Renewal / Replacement	-	129,395		129,395
New / Upgrade	-	-		-
TOTAL	\$840,031	\$367,126		\$463,757
AVERAGE	\$84,003	\$36,713	44%	\$46,376

Notes and Assumptions

- Income and expenditure increase by Adelaide Consumer Price index as at 31 December (which incorporates data from the preceding 12 months from 1 January) – forecast is 2% annually for the term of the Plan
- Employee costs increase by 2.5% annually
- Depreciation for new assets is calculated at 5% per annum

Capital projects are identified by: -

- Customer requests (external & internal)
- Asset data
- Inspections and audits

Opportunities for Improvements

- Independent assessment of estimated replacement timeframe for pumps.
- Condition audit of infrastructure

Revision History

Comments	Date	Minute Reference
2020 - 2030 version 1 Specific Plan for Lucindale CWMS Developed		
2017 – 2027 version Summary document included supporting plans	28 August 2018	Council – Resolution 47/19