

Naracoorte Waste Transfer Station Management Plan 2020 - 2030



What Council Provides

The Naracoorte Waste Transfer Station was developed in response to widespread closure of regional landfills because of mandated higher environmental performance standards from the Environment Protection Agency (EPA). The Naracoorte Landfill was not a lined (engineered) landfill and so it had potential for long term groundwater contamination. The Limestone Coast region of South Australia relies heavily on groundwater.

Council identified the risk of doing nothing and realised that the increased costs for disposal of residual waste from its kerbside bin collection services would possibly make them financially unsustainable over the longer term. Because of its geographic position, in the heart of the Limestone Coast region, it identified an opportunity to centralise waste collection and processing and minimise cost increases through collaborative activity with other Councils.

As a result, a fit for purpose waste transfer (and recovery) station was built between 2010 and 2012 to cater for the waste management needs of the Limestone Coast Region of South Australia.

The Landfill site is officially closed and closely monitored in compliance with the EPA endorsed Closure Plan for the Naracoorte Landfill.

The Facility is operated under EPA Licence 246, which includes approval to dispose of non-friable asbestos at the site.

The land is owned freehold by the Naracoorte Lucindale Council and is excluded from community land classification. The infrastructure listed below is also owned by Council, though additional infrastructure may be established by the Lessee, subject to Council approval, in the future.

The Naracoorte Waste Transfer Station is currently leased to Enviro Tec SE Pty Ltd. The lease expires on 30 June 2021.

Strategic Context

By 2026 NLC will be:

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

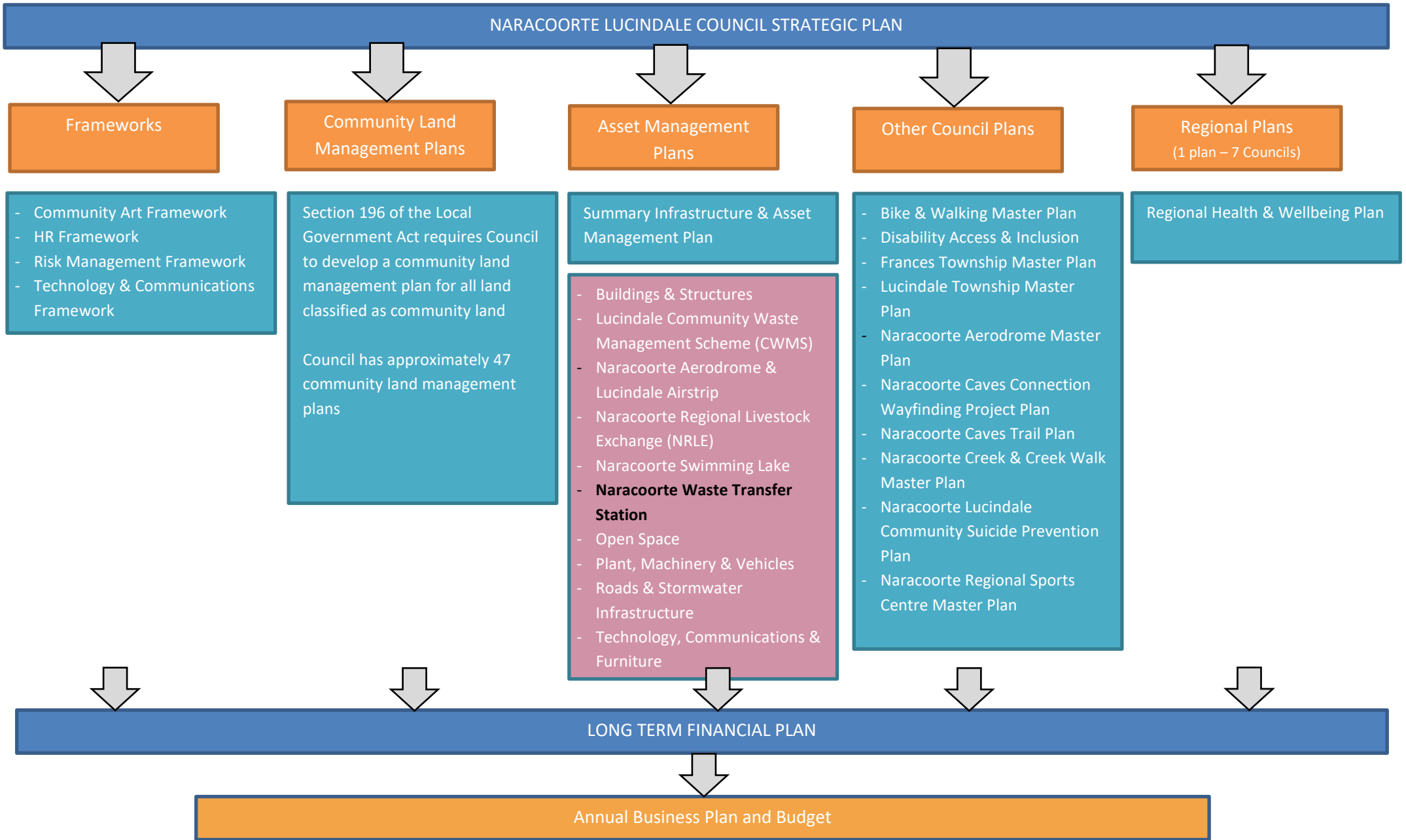
Created by having a Prosperous Community with Healthy Landscapes, Liveable Neighbourhoods and a focus on Harmony and Culture.

An organisation known for:

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

The fourth theme, **Healthy Landscapes**, focuses on *Working together to protect and enhance our natural environment for the future.*

- **Contribute to sustainable land management practices**
 - Ensure Council activities have a minimal impact on the natural environment
 - Reduce waste going to landfill
- Water resources and ecosystems are protected and restored



Assets

Assets at the Naracoorte Transfer Station were revalued as at 1 July 2019 by Aaron Armistead, AAPI CPV #18353 of Preston Rowe Paterson 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.

	Estimated Total Useful Life**	Estimated Remaining Life** at 30.06.20	Estimated Replacement Cost
Naracoorte Transfer Station			
- Waste Disposal Infrastructure	50	39	708,750
- Freestanding Verandahs	40	29	45,000
- Steel Rainwater Tanks (2)	50	39	20,000
- Transportable Office	30	18	46,650
- Implement Shed	40	14	73,500
- Internal Road	20-60	9-50	130,000
- Delivery Pad & Retention Basin	200	191	225,000
- Concrete Pipes	60	51	40,000
- Fencing (Chemical compound)	30	19	12,000
Plant & Equipment			
- Compactor Unit fitted with Hopper & 25HP VN Diesel Power Unit	30	20	95,000
- Weighbridge	30	20	50,000
TOTAL			\$1,445,900

** This is the estimated remaining life of the infrastructure; however, individual components of the infrastructure may have a shorter useful life (eg. Services - electrical)

What Does It Cost

There are two key indicators of cost to provide the Naracoorte Waste Transfer Station. 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 Naracoorte Waste Transfer Station is estimated at \$43,720 per annum.

Council's average planned expenditure on existing assets (maintenance plus capital renewal) over the life of this plan is \$8,960 per annum which gives a sustainability index of 20% (this is because the renewal expenditure identified as warranted over the period of this plan is less than the depreciation for the period).

The total forecast expenditure to provide the Naracoorte Waste Transfer Station infrastructure over the period of this plan is \$737,167 (incorporates maintenance, operating, debt servicing and capital [renewal & new]).

This is an average of \$73,717 per annum.

Forecast Income

Operating

Operating Income includes the lease fee paid by the Lessee and the costs of the EPA licence, which are recovered from the Lessee. The Lessee retains all gate fees for disposal of waste.

Income associated with kerbside collection is excluded.

The current forecast operating income for the term of the plan is \$35,981.

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 expenditure includes costs associated with operating the Naracoorte Waste Transfer Station and includes costs such as the EPA Licence, insurance and hard waste disposal. The Lessee is responsible for all costs associated with day to day operating of the facility.

Kerbside collection costs are excluded.

The current forecast operating expenditure incurred by Council for the term of the plan is \$647,566.

Maintenance

Maintenance includes costs associated with maintaining the Naracoorte Waste Transfer Station and due to the nature of the Lease, is restricted to reinstatement of the landfill site.

The current forecast maintenance expenditure for the term of the plan is \$65,698.

Depreciation

The current forecast depreciation for the term of the plan is \$371,502.

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 Aaron Armistead, AAPI CPV #18353 of Preston Rowe Paterson has been used to establish the expected timeframe for renewal of assets.

The current forecast capital (renewal) expenditure for the term of the plan is \$23,902.

	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
Waste Disposal Infrastructure										
Freestanding Verandahs										
Steel Rainwater Tanks (2)										
Transportable Office										

Implement Shed										
Internal Road - Pavement										
Internal Road – Spray Seal										24k
Internal Road – Kerbing										
Delivery Pad & Retention Basin										
Concrete Pipes										
Fencing (Chemical Compound)										
Compactor Unit										
Weighbridge										
TOTAL										\$24k

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.

Future Development

The Limestone Coast LGA Waste Management Group has developed a Waste Infrastructure Plan and has completed an assessment of establishing a council-led Materials Recovery Facility (MRF) within the region. Naracoorte’s central location makes it a logical choice for the establishment of such a facility should it proceed and the Waste Transfer Station site could be used. It is anticipated capital costs for such a development would be jointly funded by the Limestone Coast group of councils and supported by government grants.

Summary

Income is indicated by () in the tables below.

Transfer Station	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
Operating Income	(3,286)	(3,352)	(3,419)	(3,487)	(3,557)	(3,628)	(3,701)	(3,775)	(3,850)	(3,927)	(\$35,981)
Operational Expenses	59,140	60,323	61,529	62,760	64,015	65,295	66,601	67,933	69,292	70,678	\$647,566
Maintenance	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	\$65,698
Depreciation	33,928	34,607	35,299	36,005	36,725	37,459	38,208	38,973	39,752	40,547	\$371,502
Debt Servicing Costs	-	-	-	-	-	-	-	-	-	-	-
Internal Loan	-	-	-	-	-	-	-	-	-	-	-
Capital Income	-	-	-	-	-	-	-	-	-	-	-
Renewal / Replacement	-	-	-	-	-	-	-	-	-	23,902	\$23,902
New / Upgrade	-	-	-	-	-	-	-	-	-	-	-
NET	\$95,782	\$97,698	\$99,652	\$101,645	\$103,678	\$105,751	\$107,866	\$110,023	\$112,224	\$138,370	\$1,072,688

	Cost of Existing Assets for Term of This Plan	Planned Expenditure on Existing Assets	Sustainability Index	Total Forecast Expenditure
Operating Income	-	-		-
Operational Expenses	-	-		\$647,566
Maintenance	\$65,698	\$65,698		\$65,698
Depreciation	\$371,502	-		-
Debt Servicing Costs	-	-		-
Internal Loan	-	-		-
Capital Income	-	-		-
Renewal / Replacement	-	\$23,902		\$23,902
New / Upgrade	-	-		-
TOTAL	\$437,200	\$89,600		\$737,166
AVERAGE	\$43,720	\$8,960	20%	\$73,717

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
- Meetings with Lessee

Revision History

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