

# NOTICE OF MEETING



## WATER, WASTE AND SEWER ADVISORY COMMITTEE MEETING

A Water, Waste and Sewer Advisory Committee Meeting of Byron Shire Council will be held as follows:

Venue	Conference Room, Station Street, Mullumbimby
Date	Thursday, 1 June 2017
Time	11.30am

A handwritten signature in black ink, appearing to read 'Phillip Holloway', is located in the lower left area of the page.

Phillip Holloway  
Director Infrastructure Services

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## CONFLICT OF INTERESTS

**What is a “Conflict of Interests”** - A conflict of interests can be of two types:

**Pecuniary** - an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person or another person with whom the person is associated.

**Non-pecuniary** – a private or personal interest that a Council official has that does not amount to a pecuniary interest as defined in the Local Government Act (eg. A friendship, membership of an association, society or trade union or involvement or interest in an activity and may include an interest of a financial nature).

**Remoteness** – a person does not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision the person might make in relation to a matter or if the interest is of a kind specified in Section 448 of the Local Government Act.

**Who has a Pecuniary Interest?** - a person has a pecuniary interest in a matter if the pecuniary interest is the interest of the person, or another person with whom the person is associated (see below).

**Relatives, Partners** - a person is taken to have a pecuniary interest in a matter if:

- The person's spouse or de facto partner or a relative of the person has a pecuniary interest in the matter, or
- The person, or a nominee, partners or employer of the person, is a member of a company or other body that has a pecuniary interest in the matter.

N.B. “Relative”, in relation to a person means any of the following:

- (a) the parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descends or adopted child of the person or of the person's spouse;
- (b) the spouse or de facto partners of the person or of a person referred to in paragraph (a)

**No Interest in the Matter** - however, a person is not taken to have a pecuniary interest in a matter:

- If the person is unaware of the relevant pecuniary interest of the spouse, de facto partner, relative or company or other body, or
- Just because the person is a member of, or is employed by, the Council.
- Just because the person is a member of, or a delegate of the Council to, a company or other body that has a pecuniary interest in the matter provided that the person has no beneficial interest in any shares of the company or body.

### Disclosure and participation in meetings

- A Councillor or a member of a Council Committee who has a pecuniary interest in any matter with which the Council is concerned and who is present at a meeting of the Council or Committee at which the matter is being considered must disclose the nature of the interest to the meeting as soon as practicable.
- The Councillor or member must not be present at, or in sight of, the meeting of the Council or Committee:
  - (a) at any time during which the matter is being considered or discussed by the Council or Committee, or
  - (b) at any time during which the Council or Committee is voting on any question in relation to the matter.

**No Knowledge** - a person does not breach this Clause if the person did not know and could not reasonably be expected to have known that the matter under consideration at the meeting was a matter in which he or she had a pecuniary interest.

### Participation in Meetings Despite Pecuniary Interest (S 452 Act)

A Councillor is not prevented from taking part in the consideration or discussion of, or from voting on, any of the matters/questions detailed in Section 452 of the Local Government Act.

**Non-pecuniary Interests** - Must be disclosed in meetings.

There are a broad range of options available for managing conflicts & the option chosen will depend on an assessment of the circumstances of the matter, the nature of the interest and the significance of the issue being dealt with. Non-pecuniary conflicts of interests must be dealt with in at least one of the following ways:

- It may be appropriate that no action be taken where the potential for conflict is minimal. However, Councillors should consider providing an explanation of why they consider a conflict does not exist.
- Limit involvement if practical (eg. Participate in discussion but not in decision making or vice-versa). Care needs to be taken when exercising this option.
- Remove the source of the conflict (eg. Relinquishing or divesting the personal interest that creates the conflict)
- Have no involvement by absenting yourself from and not taking part in any debate or voting on the issue as if the provisions in S451 of the Local Government Act apply (particularly if you have a significant non-pecuniary interest)

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## RECORDING OF VOTING ON PLANNING MATTERS

### Clause 375A of the Local Government Act 1993 – Recording of voting on planning matters

- (1) In this section, **planning decision** means a decision made in the exercise of a function of a council under the Environmental Planning and Assessment Act 1979:
  - (a) including a decision relating to a development application, an environmental planning instrument, a development control plan or a development contribution plan under that Act, but
  - (b) not including the making of an order under Division 2A of Part 6 of that Act.
- (2) The general manager is required to keep a register containing, for each planning decision made at a meeting of the council or a council committee, the names of the councillors who supported the decision and the names of any councillors who opposed (or are taken to have opposed) the decision.
- (3) For the purpose of maintaining the register, a division is required to be called whenever a motion for a planning decision is put at a meeting of the council or a council committee.
- (4) Each decision recorded in the register is to be described in the register or identified in a manner that enables the description to be obtained from another publicly available document, and is to include the information required by the regulations.
- (5) This section extends to a meeting that is closed to the public.

**BYRON SHIRE COUNCIL**  
WATER, WASTE AND SEWER ADVISORY COMMITTEE MEETING

**BUSINESS OF MEETING**

**1. APOLOGIES**

**2. DECLARATIONS OF INTEREST – PECUNIARY AND NON-PECUNIARY**

**3. ADOPTION OF MINUTES FROM PREVIOUS MEETINGS**

- 3.1 Water, Waste and Sewer Advisory Committee Meeting held on 2 March 2017
- 3.2 Water, Waste and Sewer Advisory Committee Meeting held on 13 April 2017

**4. STAFF REPORTS**

**Infrastructure Services**

- 4.1 Update on the Container Deposit Legislation .....4
- 4.2 Response to Questions Asked by Committee Member.....23
- 4.3 Extention of Second Hand Shop Opening Hours.....27
- 4.4 Ocean Shores to Brunswick Valley STP Transfer Feasibility Study .....29

STAFF REPORTS - INFRASTRUCTURE SERVICES

**Report No. 4.1**                      **Update on the Container Deposit Legislation**  
**Directorate:**                      Infrastructure Services  
5 **Report Author:**                Lloyd Isaacson, Team Leader Resource Recovery and Quarry  
**File No:**                            I2017/613  
**Theme:**                            Community Infrastructure  
10                                        Waste and Recycling Services

**Summary:**

15 This report provides an update on the implementation of the NSW Container Deposit Scheme set to commence December 1 2017 and potential implications for Council.

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**RECOMMENDATION:**

**That the Water, Waste and Sewer Advisory Committee note the report.**

**Attachments:**

20    1        CDS presentation update from Local Government NSW, E2017/47705 , page 7 [↓](#)

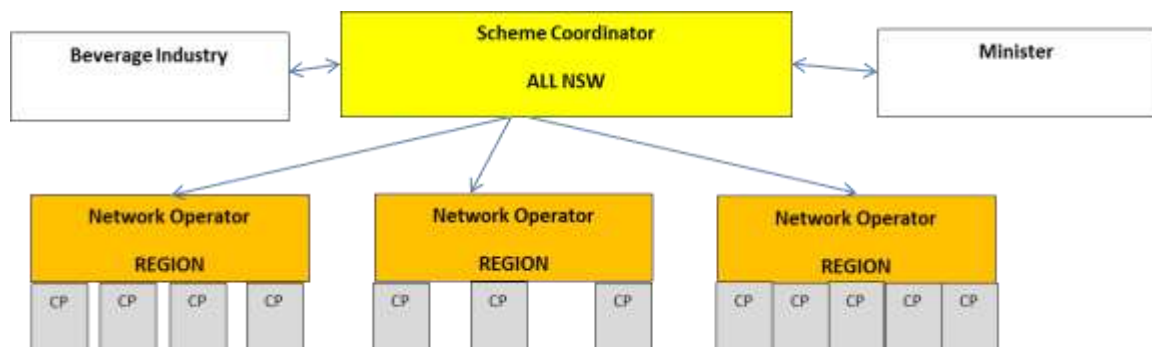
### Report

#### Background

At the most recent North East Waste meeting the attached presentation was provided by Local Government NSW updating Councils on the NSW Container Deposit Scheme which is set to commence 1 December 2017. The key outcome of the scheme is to contribute to the NSW litter reduction programme and associated target of reducing litter by 40% by 2020.

The below provides an overview of the proposed operational scope of the scheme:

- A 10-cent refund on all eligible beverage containers
  - The scope includes all beverage containers from 150 ml to 3 litres. Exemptions for wine, spirits, cordial, flavoured milk, tonics.
  - Any eligible container presented at a Collection Point must be paid the refund.
- Any in-scope containers collected in Kerbside recycling bins will be eligible for refund
- NSW will operate with seven regional areas for CDS. Byron falls within the Northern Rivers Region which includes the 6 NOROC and Clarence LGAs
  - Based on population and area, the Byron LGA has been allocated a minimum of 2 collection points
- The NSW government approves the Scheme Coordinator, Network Operators and Collection Point operators to run the industry-funded scheme.
  - To date the Network Operators have not been selected - Lismore City Council have submitted a tender to act as the Network Operator for the region
- The CDS will be administered as per below structure:



- Collection Points
  - Collection point operation and the handling fee they get paid is dependent on the method and fee dictated by the Network Operator
    - Network Operator for the region holds accountability for meeting targets imposed by Scheme coordinator (and NSW Govt).
    - Network Operator dictates location and operational formats for Region's Collection Points to meet those targets.
- Education
  - Education associated with the scheme is the responsibility of, and will be developed by, the Scheme Coordinator.

**Implications for Council**

- 5 Separate from the targeted litter reduction impact, the two key operational implications for Council relate to the operation of one (or more) Collection Point(s) and the impact on the kerbside recycling service.

***Collection Point Operation***

- 10 Until the Network Operator is determined, there is a high level of uncertainty on the structure, location and number of collection points that will be established in the Byron Shire. As indicated above, the roll-out of the scheme is dependent on the direction of the Network Operator. At this stage, models proposed by potential Network Operators range from Reverse Vending Machines to a simple cash exchange for containers shopfront facility.
- 15 Council has registered initial interest with the NSW EPA and Lismore City Council (a potential Network Operator) for the BRRC to be a collection point, due to obvious advantages of associated infrastructure and operations at the site. This registration is non-binding and there is no obligation or requirement for Council to operate a collection point.
- 20 It is difficult to provide a recommendation on the level of participation from Council at this stage without knowledge of the format the scheme is going to be administered by the relative Network Operator. However, as part of the BRRC master planning process an area has been allocated for the operation of a CDS collection point if it does in fact materialise.

25 ***Kerbside Recycling Operation***

- The EPA has been very clear that it wants to minimise the impact on kerbside recycling services resulting from the implementation of the CDS. Byron will benefit financially however, in that all eligible containers collected through the kerbside collection service will attract a 10c refund to Council when deposited at Lismore City Council's Material Recycling Facility. The refund amount will be quantified by composition audits and negotiation with Lismore Council within the 1<sup>st</sup> 12 months post scheme implementation. The EPA has indicated that support will be provided to Councils to assist in the refund negotiation process.
- 30

- 35 There may also be flow on collection service savings if the volume of recyclables collected in the kerbside system reduces. In particular, these may materialise with respect to a reduced service frequency requirement for public place recycling/litter bins if beverage containers are diverted into the CDS collection network (e.g. by homeless collection, community clean-up groups etc.). Whilst this diversion would result in a loss of the 10c per container refund to Council, the benefits of reduced litter clean-up and servicing costs are likely to provide a net benefit outcome for the organisation.
- 40

**Financial Implications**

- 45 Unable to quantify at this stage however it is anticipated that Council will benefit financially via a 10c refund of containers collected through the kerbside collection service.

**Statutory and Policy Compliance Implications**

- 50 Amendments have been made to the SEPP (Exempt and Complying Development Codes) to allow for CDS related infrastructure. However, as there is a varied range of proposed infrastructure by the Network Operator proponents, there may be the requirement for development consent for infrastructure development in sensitive locations. Again, detail of this is dependent on the Network Operator selected for the region.



# UPDATE: The NSW Container Deposit Scheme

Mark McKenzie, Senior Policy Officer –  
Waste, LGNSW

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## NSW CDS commences 1 December 2017

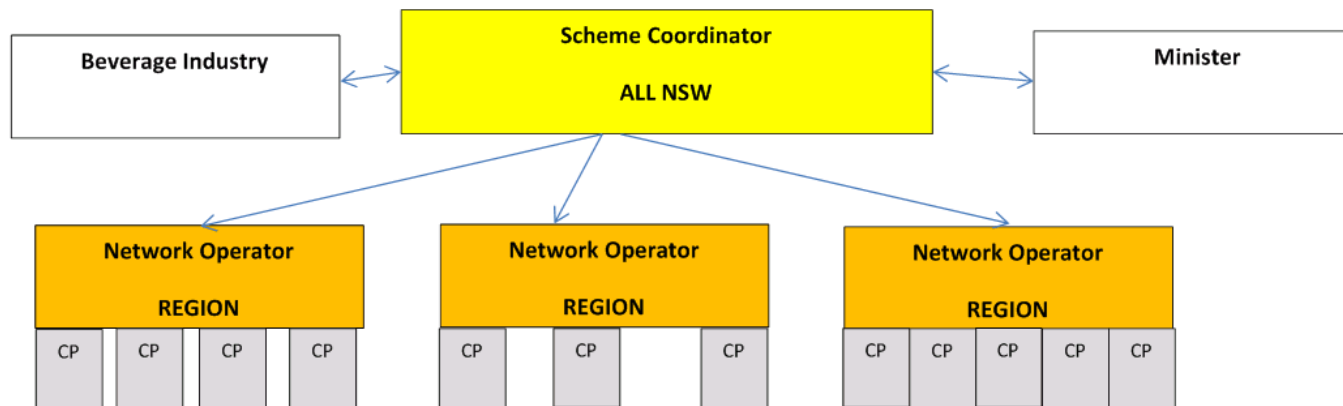
- A 10-cent refund.
- The scope includes all beverage containers from 150 ml to 3 litres. Exemptions for wine, spirits, cordial, flavoured milk, tonics.
- Any eligible container presented at a Collection Point must be paid the refund.
- **Kerbside recycling bins** - Any in-scope containers will be eligible for refund
- The NSW government approves the Scheme Coordinator, Network Operators and Collection Point operators to run the industry-funded scheme.
- NSW will operate with seven regional areas for CDS.
- A NSW litter reduction programme.

2





## CDS Administrative structure





Timelines	
October 2016	<i>Waste Avoidance and RR Amendment (Container Deposit Scheme) Act 2016</i>
December 2016	<i>Draft Container Deposit Scheme Regulation</i>
5 February 2017	Close of tenders for Scheme Coordinator and Network Operators. ADDENDUM issued after Scheme commencement change and new close 17 March.
10 March	CDS Regulation gazetted
Mid-March	SEPP (complying and exempt development) changes [CLOSE 26 April]
Late March	MRF CDS Protocol for refund claiming consultation [CLOSE 13 April]
May 2017	Selection of Scheme Coordinator and Network Operators (contracts in June)
1 December 2017	<b>Commencement.</b> May elect not to switch on all powers immediately

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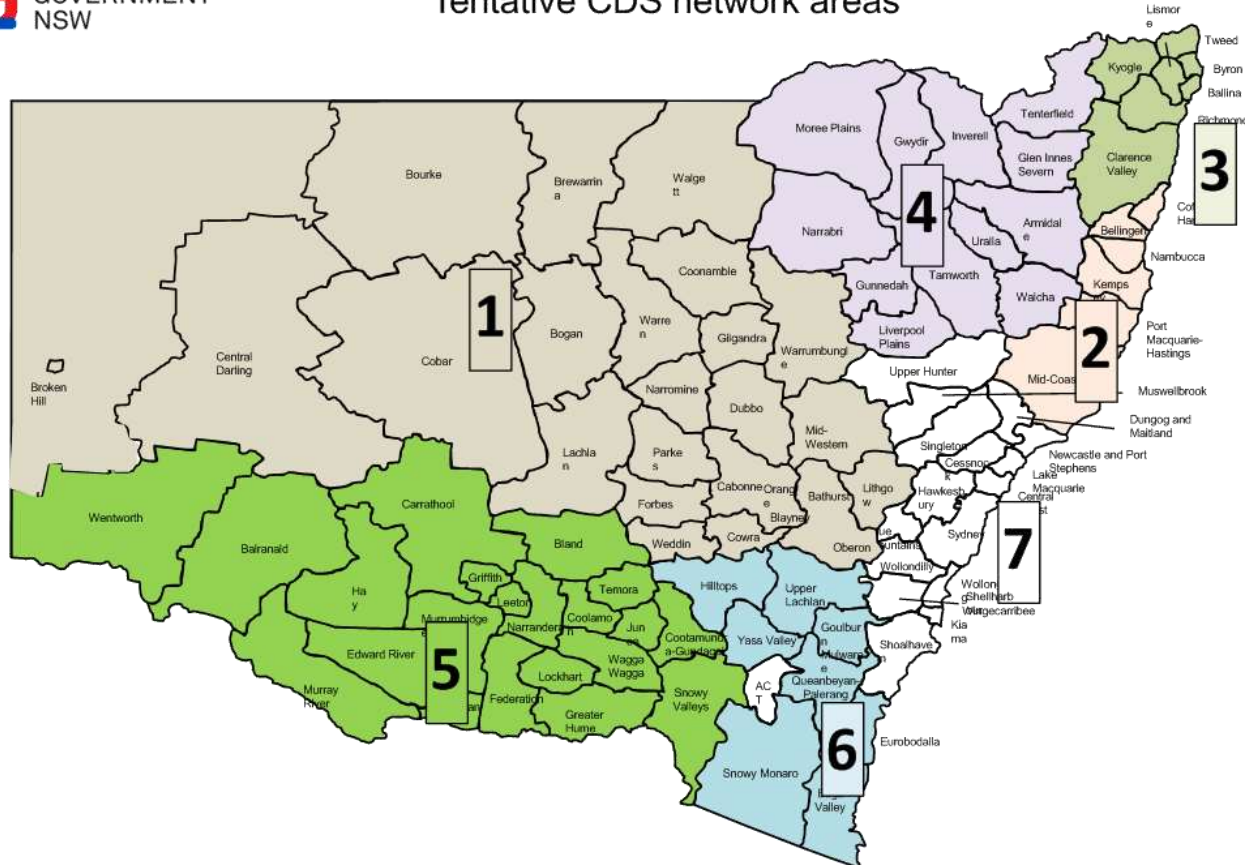
## CDS Implications for local government

- There is no regulatory obligation at all on councils
- Refund sharing – negotiations and support
- Electing to set up a Collection Point – (dependent on Network Operator in region)
- Fostering community groups
- Education sits with Scheme Coordinator

# BYRON SHIRE COUNCIL



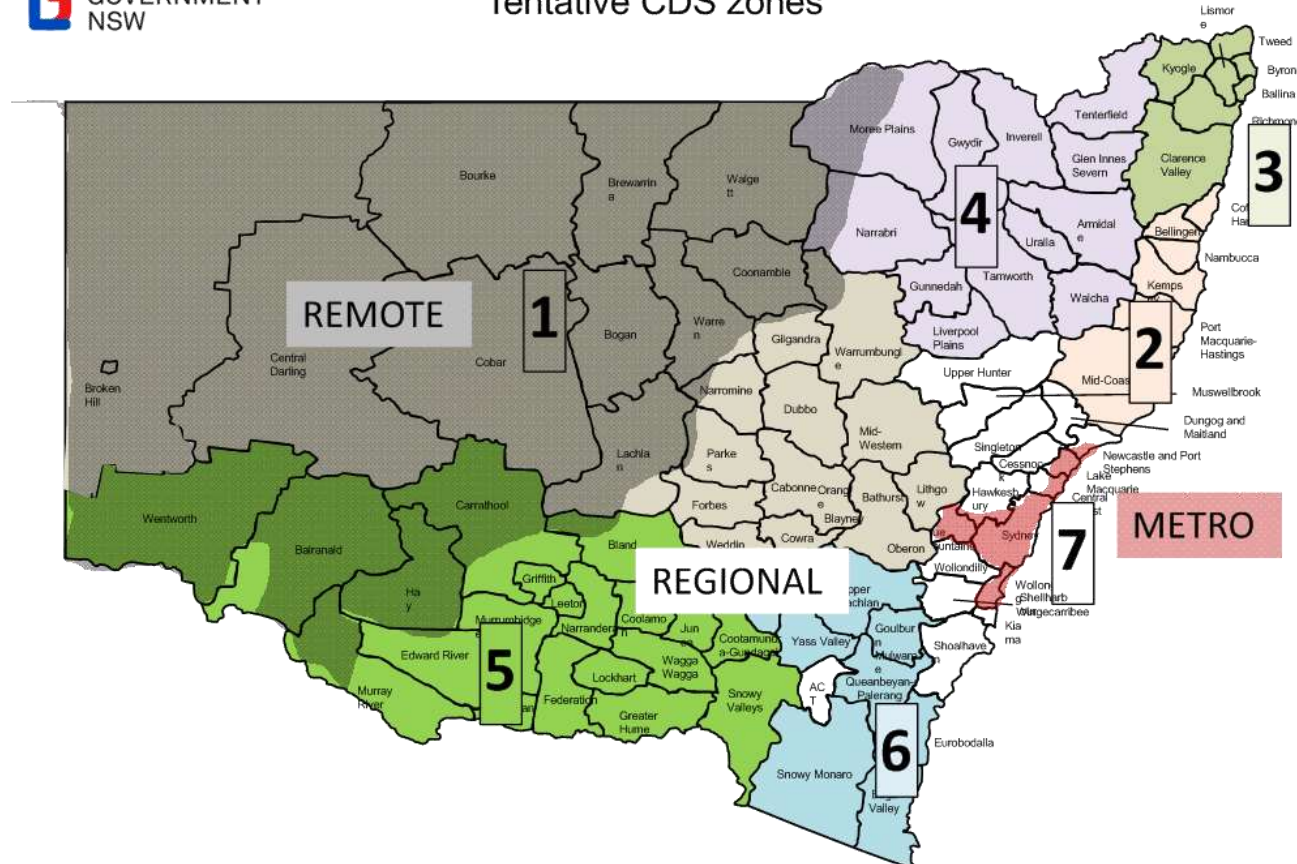
## Tentative CDS network areas



# BYRON SHIRE COUNCIL



## Tentative CDS zones



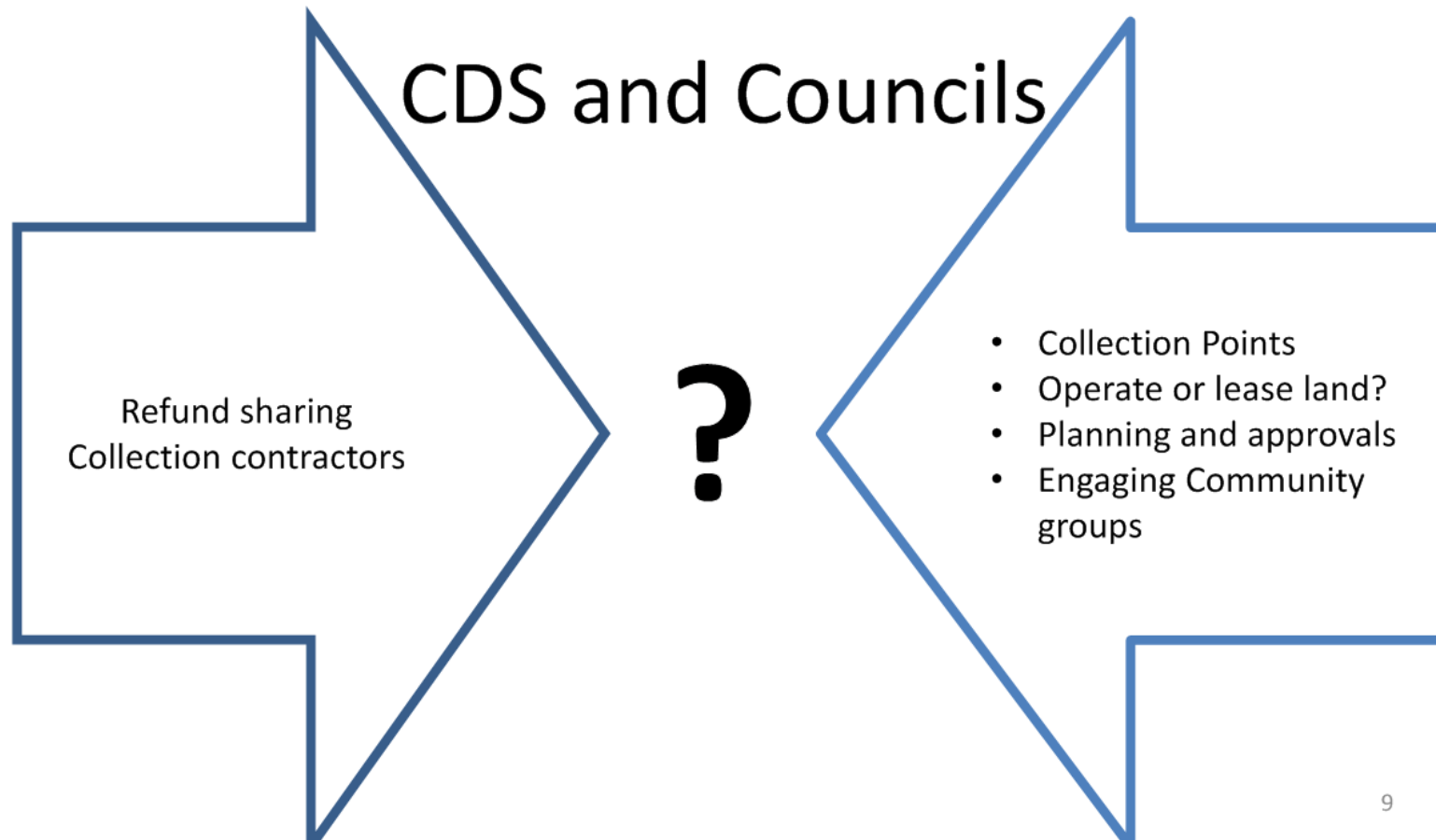


## Tentative Community Access Targets

### **METRO AREAS (minimum)**

- 1 collection point for every 20,000 people
- Each Metro network operator would be responsible for achieving a portion
- A number of “priority precincts” that must be serviced will be specified by NSW Government
- A portion of each Metro network operator collection points must be in the “priority precincts”
- “Priority precincts” may include high traffic areas, transport hubs or major shopping centres
- **OPENING HOURS:** Each collection point open at least 35 hours every week between 7am-8pm. At least 8 hours per week on a weekend day.

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## Refund Sharing

- NSW Material Recycling Facilities (MRF) make claim to Scheme Coordinator
- Relies on **EPA Protocol** for a recycling material (draft out now)
- Refund sharing only between MRF and “feeder” councils – no Processing Refund value until an agreement or waiver documented
- 12 months to negotiate & document refund sharing, or have waiver from council
- CDS Regulation 10 March now provides for **ALL** refunds to be shared (retrospective to start of scheme)







## MRF protocol

- Consultation closes 13 April
- “Methodology” for determining level of eligible containers and refund per tonne of recycling
  - Quarterly material audits
  - 50kg samples most material from process line
  - 1m<sup>3</sup> samples glass from mixed materials at delivery
- Cost of sampling, audits etc will be deducted from refund paid by Scheme Coordinator to MRF



## Support for councils

### **Refund negotiation – EPA support proposed**

- Legal assistance package or panel supporting councils
- “Draft terms” for refund agreement
- Refund sharing may open up recycling contracts to broader negotiation

### **Mediators – EPA proposed**

- EPA envisage a role for panel of industry/waste contract experts
- Allows for mediated discussion before recourse to contract dispute mechanisms

### **Collection point – EPA proposed**

- Business case template for councils considering their own



## Collection Points

- No obligation - Community Recycling Centres, transfer station, depots, other council land
- Depends upon handling fee & collection method of Network Operator
- Register interest <http://www.epa.nsw.gov.au/waste/cds-collection-point-operator.htm>

## Community Groups

- Consider consulting with local groups
- Ensure that they understand council needs





## Planning and Collection Points

*Amendment to the State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 allowing*

- reverse vending machines,
- mobile reverse vending machines,
- front end machines (inserted into the walls of a commercial premises) with the concealed back end for collection and recycling, and
- mobile cages.

The range of proposed equipment ranges in size, scale and potential impact. Proposals that are larger or in sensitive locations will require development consent from council.

Comments by 26 April online at [planning.nsw.gov.au/proposals](http://planning.nsw.gov.au/proposals)

- Expectation that multiple DAs may be made very soon after Network Operators announced
- Note also that all amalgamated and “not proceeding” councils up for election this year (caretaker provisions may apply)



## Contracts and extenuating circumstances

- Under Section 55(3)(i) of the *Local Government Act 1993* councils can determine exemption from need to tender in relation to waste management contracts.
- The Minister has informed LGNSW that that each council can decide on a case by case basis whether extenuating circumstances arise from the CDS
- Formalised by council resolution (stating reasons) that a satisfactory result would not be achieved by inviting tenders.

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# BYRON SHIRE COUNCIL

## STAFF REPORTS - INFRASTRUCTURE SERVICES

4.2

**Report No. 4.2**  
**Directorate:** Infrastructure Services  
**Report Author:** Peter Rees, Manager Utilities  
**File No:** I2017/650  
**Theme:** Community Infrastructure  
Sewerage Services

### **Summary:**

Various questions have been asked by a Committee member in relation to Ocean Shores and Brunswick Valley STPs. The information is contained in this report.

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### **RECOMMENDATION:**

**That Council notes the information provided to the Water, Waste and Sewer Committee regarding Ocean Shores and Brunswick Valley STPs.**

**Report**

Various questions have been asked by a Committee member in relation to Ocean Shores and Brunswick Valley STPs. The information is contained in this report.

1. *Does BSC think it is in the rate payers' best interest to spend 46 million dollars on this strategy when Ocean Shores STP capacity is 1.6 Mega litres per day and while there is still an obvious infiltration problem in the Mullumbimby Gravity mains system?*

Response

Council staff's opinion is that recommended project configuration (Option 4) is the best alternative for the community. The reasons for this recommendation are it:-

- minimises up front capital costs
- reduces total ongoing operational expenses
- has an NPV approximately \$18 million less than the baseline option
- provides increased capacity to manage the Mullumbimby stormwater inflow
- reduces the total nutrients discharged into the Brunswick River by approximately 5,800 kg of nitrogen and 330 kg of phosphorus every year
- It provides increased scope for habitat and recycled water opportunities at both the Brunswick Valley and the Ocean Shores sites through the expansion and enhancement of wetlands

2. *What other opinions have been sought from companies such as Enviroconcepts ETC who specialise in vacuum systems and screening systems as to alternatives to the strategy being purposed at present?*

Response

The strategies developed have been prepared by a significant consultancy in the industry with no allegiances to any one supplier. The Transfer Feasibility report was peer reviewed by an independent consultancy.

There is no additional benefit to be gained by approaching specialist suppliers at this stage of the project – particularly one associated with a reticulation system.

It should be stressed, the stormwater inflow into the Mullumbimby reticulation system is a separate issue to the Ocean Shore Sewage Treatment Plant upgrade project.



3. *How much untreated sewage will be discharged from BVSTP during high prolonged rain periods into the Brunswick River if this strategy is endorsed by this committee and Councillors?*

5 Response

The recommended option is the most resilient and risk averse of all alternatives including the current existing (do nothing) configurations.

- 10 4. *What are the current operational procedures for Ocean Shores STP?*

Response

15 The current operational procedures are comprised of:-

- The OSSTP O&M Manual
- The Byron Shire Council Wastewater Management System
- The Planned Maintenance System
- Water and Sewerage Pollution Incident Response Management Plan

20  
25 Collectively these documents are in excess of several hundred pages and greater than 20 megabytes. They are available for review in my office if required.

- 30 5. *Would not BSC be better off putting monies into fixing the Mullumbimby infiltration problem totally, if the infiltration is removed BVSTP should not need to be duplicated for many years?*

Response

35 No - the Brunswick Valley Treatment Plant is designed for an average dry weather flow of 3.8 ML/day and is independent of stormwater inflow. The design life was a nominal 25 years based on the then population forecasts. Even if it were possible to eradicate stormwater inflow, the average dry weather flow would still be in accordance with population connected.

40 It should be stressed, the stormwater inflow into the Mullumbimby reticulation system is a separate issue to the Ocean Shore Sewage Treatment Plant upgrade project.

- 45 6. *Who carried out the modelling on a vacuum system for the Mullumbimby CBD resulting in a costing of 40 million dollars?*

Response

50 There has been no modelling of a vacuum system for the Mullumbimby CBD nor any estimate of same.

55 It should be stressed, the stormwater inflow into the Mullumbimby reticulation system is a separate issue to the Ocean Shore Sewage Treatment Plant upgrade project.

**Financial Implications**

- 5 Option 4 of the Ocean Shores to Brunswick Valley STP Transfer Feasibility Study will save Council approximately \$18 million dollars over the life of the project compared to the baseline option of upgrading the Ocean Shores Sewage Treatment Plant.

**Statutory and Policy Compliance Implications**

- 10 If no decision is made to progress a sewerage strategy for Ocean Shores Sewage Treatment Plant, Council will be in jeopardy of increasing non compliance with the EPA licence for the site. This will have both statutory compliance and cost implications for Council. Recent discussions with the EPA have indicated they are keen to see a decision made on the future of the Ocean Shores Sewage Treatment Plant.
- 15

**Report No. 4.3**                      **Extention of Second Hand Shop Opening Hours**  
**Directorate:**                      Infrastructure Services  
**Report Author:**                Lloyd Isaacson, Team Leader Resource Recovery and Quarry  
**File No:**                            I2017/658  
5    **Theme:**                         Community Infrastructure  
   Waste and Recycling Services

**Summary:**

10    This report provides information to inform the Water, Waste and Sewer Advisory Committee (WWSAC) in making a decision on extending the Second Hand shop opening hours to align with those of the Byron Resource Recovery Centre (BRRC) transfer station.

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**RECOMMENDATION:**

20    **That the Water, Waste and Sewer Advisory Committee decide whether to extend the opening hours of the 2<sup>nd</sup> Hand Shop to align with the opening hours of the Byron Resource Recovery Centre transfer station.**

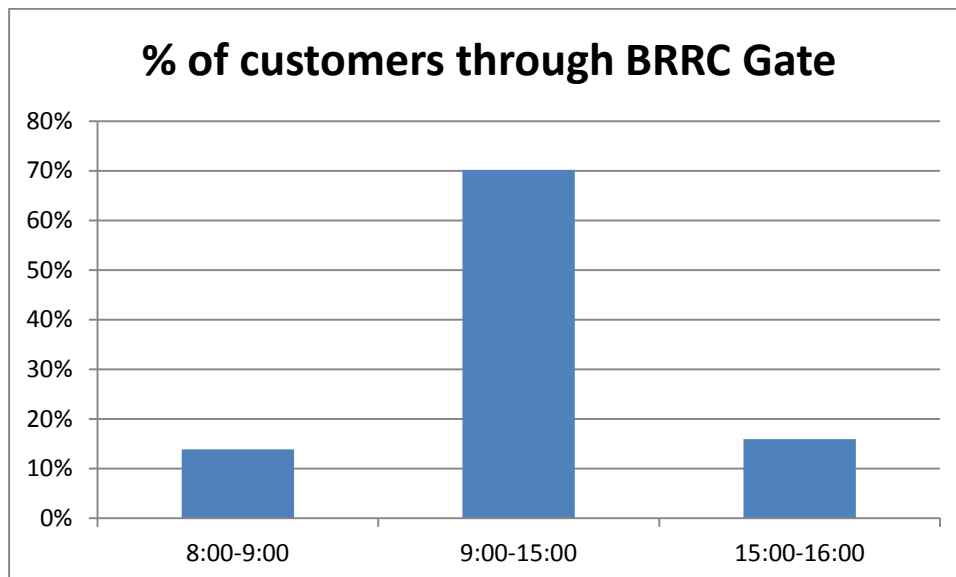
**Report**

The current opening hours of the Second Hand shop at the BRRC are 9:00am to 3:00pm Tuesday to Friday and 8:30 to 11:30am Weekends, stemming from historic operations of the shop. The BRRC transfer station's opening hours are 8:00am to 4:00pm Monday to Friday and 8:30 to 11:30am Weekends.

Staff have conducted investigations into extending the opening hours of the Second Hand shop to align with the opening hours of the BRRC transfer station with the exception of remaining closed Monday's due to operational stock sorting requirements.

Based on the additional labor required to operate the shop for the proposed extended hours, operational costs would increase by approximately \$14,000 per annum from \$70,000 to \$84,000. Income from sales is currently forecasted to reach \$122,000 for the 2016/17 FY.

Analysis of the past 2 ½ years weighbridge transaction data (Figure 1) indicates that 13.87% and 15.94% of BRRC transfer station transactions are conducted in the hour before and after the current weekly opening hours of the Second Hand Shop.



It is very difficult to determine how many of those customers may have wanted to purchase goods from the tip shop if it in fact had been open during the proposed opening hours. Subsequently it is unknown if opening the tip shop for the proposed extended hours would attract enough custom to cover the additional operational costs.

**Financial Implications**

Additional operational cost is estimated at approximately \$14,000 per annum.

Additional income is unknown.

**Statutory and Policy Compliance Implications**

Nil

**Report No. 4.4**                      **Ocean Shores to Brunswick Valley STP Transfer Feasibility Study**  
**Directorate:**                      Infrastructure Services  
**Report Author:**                  Peter Rees, Manager Utilities  
**File No:**                            I2017/678  
5    **Theme:**                           Community Infrastructure  
   Sewerage Services

**Summary:**

10    The Committee has previously reviewed the Ocean Shores to Brunswick Valley STP Transfer Feasibility Study on two occasions. A recommendation to Council is now sought.

15    

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**RECOMMENDATION:**

**That Council notes the report, including risks associated with Option 4 in Section 13 recommendations and that Council investigate the operational risks and report back to Council on the continued feasibility or otherwise of the Transfer option.**

**Report**

The Committee has previously reviewed the Ocean Shores to Brunswick Valley STP Transfer Feasibility Study on two occasions. A recommendation to Council is now sought.

- 5 The Study was provided to the Committee on 2 March 2017 and 13 April 2017, so is not reproduced for this report. It is available on Council's web site at:-

[http://byron.infocouncil.biz/Open/2017/04/WWSAC\\_13042017\\_AGN\\_716\\_AT.PDF](http://byron.infocouncil.biz/Open/2017/04/WWSAC_13042017_AGN_716_AT.PDF)

- 10 The existing Ocean Shores STP (OSSTP) was originally built in the 1980s, with the last significant upgrade being in ca. 1995. The capacity of the existing IDEA process has been assessed at around 1.1 ML/d average dry weather flow (ADWF). The current ADWF treated at OSSTP is in the order of 1.3 ML/d, meaning that it is potentially operating slightly over its assessed capacity.
- 15 Council commissioned GHD (2014-15) to undertake a planning study to investigate the augmentation requirements for OSSTP. The planning study found that the plant could be upgraded at a cost in the vicinity of \$30 Million.

- 20 Further to the GHD (2014-15) planning study, Council indicated the need to investigate other alternatives to the augmentation of capacity at OSSTP. Some of the underlying drivers included:

- The significant capital cost of around \$30 M for OSSTP upgrade
- Population growth projections

25 • The Brunswick Valley STP (BVSTP) being located relatively nearby to the OSSTP (less than approximately 3 km) and is the newer of the two plants, having been built in 2009-10.

- Anticipated economies (in both capital and operating costs) can be achieved by consolidating treatment at BVSTP and potentially ceasing (or minimising) operations at OSSTP

30 • Previous work by Council identified an easement for a pipeline from OSSTP to BVSTP to transfer treated effluent, for water recycling purposes (Council Resolution 06-759) of which only one section of easement remains to be acquired at this point in time.

- 35 All of the options proposed for the Ocean Shores- BVSTP transfer offer lower whole-of-life (NPV) costs than the alternative strategy of retaining both STPs and upgrading OSSTP as per a previous planning study for that the Ocean Shores plant.

- 40 If the Ocean Shores-BVSTP transfer strategy is implemented, the biggest opportunity to reduce capital costs (indicatively within the next 20 years) and reduce whole-of-life cost (NPV) comes from deferring the BVSTP capacity augmentation for major process components until no later than 2035-36 (i.e. Option 4 identified in this Study). This Option 4 has the potential to defer up to \$22.7 Million in capital (until 2035-36) and reduce NPV by approximately \$12.6 Million.

- 45 The Peer Review concluded the majority of assumptions, approaches, outcomes and conclusions of the GHD Feasibility Study are justified. Whilst some minor discrepancies between the capital cost estimates for BVSTP and OSSTP are noted in the Peer Review, if addressed these will not change the GHD Feasibility Study recommendations.

- 50 The Peer Review agrees that the BVSTP upgrade approach is quite conservative, and therefore there is significant potential to defer capital spend at BVSTP and/or optimise the upgrade approach.

**Financial Implications**

The financial implications of the proposed project are the potential to defer up to \$22.7 million in capital expenditure and reduce the Net Present Value of the project by approximately \$12.6 million.

5

**Statutory and Policy Compliance Implications**

Compliance with EPA licences 784 (Ocean Shores Sewage Treatment system) and 13266 (Brunswick Valley Sewage Treatment System).

- 10 If no decision is made to progress a sewerage strategy for the Ocean Shores Sewage Treatment Plant, Council will be in jeopardy of increasing non compliance with the EPA licence for the site. This will have both statutory compliance and cost implications for Council. Recent discussions with the EPA have indicated they are keen to see a decision made on the future of the Ocean Shores Sewage Treatment Plant.

15