

Meeting Date: 17 July 2012

Item: 3
Subject: Small Villages Servicing Program
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Following consideration of two prime scenarios, MCW recently adopted a Long Term Financial Plan (LTFP) which will deliver the current range of services to existing service areas while maintaining an affordable price path.

The alternative scenario which involved the extension of water and sewerage services to small villages including Allworth, Coomba Park, Stroud Road, Nerong, and North Port Stephens, was determined not to be financially viable at this time without significant government subsidy.

This report outlines MCW's previous studies on small villages in our service area and our intentions to review these studies over the coming 6 months. The aim of this review is to provide more current detail on the associated costs and benefits of extending services to these villages, which will inform future reviews of the LTFP and delivery plan.

Background

In 2000, Graeme Watkins completed an analysis of unserviced communities which have the potential to impact downstream activities. This analysis included a risk assessment which considered:

- The number of existing developed lots and their size;
- The site soil conditions; and
- The proximity of the existing development to downstream activities such as town water supply, shellfish food production, aquatic ecosystem and recreational and agricultural uses.

The following unserviced communities were assessed:

Greater Taree – Residential			
Moorland	Johns River	Mount George	Crowdy Head
Krambach	Croki	Elands	Oxley Island
East Wingham	North East Wingham	Wingham Industrial	Kookaburra Drive
Richie Crescent	Glenthorne	Harrington Industrial	Colonial Leisure Village
Greater Taree – Rural residential			
Homestead and Heritage Estates	Rainbow Flat	Nabiac Rural	Sorrento Place
Cedar Party	Clovernook Drive	Kolinda Drive	Warwiba Road
Helmich Close	Bungay Estate	Idlewoods Estate	Diamond Beach
Forrest Downs	Manning Waters	Malcolms Road	Riverview Drive
Abbott Road			

Great Lakes – Residential			
Allworth	Limeburners Creek	Booral	Stroud Road
Wards River	Coomba Park	Coolongolook	Wooton
North Pindimar	South Pindimar	Bundabah	North Arm Cove
Tahlee	Carrington	Nerong	Seal Rocks
Tea Gardens Industrial			
Great Lakes – Rural residential			
Racecourse Estate	Shearwater Estate		

It is notable of course that unserviced areas in Gloucester Shire Council's area were not assessed in 2000.

The report from this analysis provided a priority ranking of small villages and 'fringe' areas for both the Greater Taree Council and Great Lakes Council areas:

Greater Taree Council Area		Great Lakes Council Area	
Priority Group		Priority Group	
1	Bungay ^(a)	1	Coomba Park
2	Cedar Party ^(a)	1	North Arm Cove
2	Crowdy Head	1	Stroud Road
3	Forrest Downs ^(a)	2	Allworth
		2	Shearwater
		3	North Pindimar
		3	South Pindimar
		3	Bundabah
		3	Nerong

Notes:

- (a) Rural residential development does not qualify for state government subsidy. Bungay Estate was reported to Council in June 2012 as no longer requiring a sewerage scheme as the costs exceeded the benefits. Other rural residential development requires a similar review

A number of residential urban 'fringe' areas such as Glenthorne, Kookaburra Drive, etc were connected to sewerage between 2001 and 2009. The remaining urban fringe areas are the industrial areas at Tea Gardens, Harrington and Wingham which are all currently under design for reticulated sewerage.

From 2003 to 2005 the options for servicing the villages were further developed with cost estimates for each option prepared. In 2009 Crowdy Head was provided with reticulated sewerage with 25% subsidy from the NSW government.

The following table represents today's values of the preferred water supply and sewerage service options as reported in 2003, for the remaining unserviced villages. It is important to note that the actual costs will vary widely based on the technology chosen. Some schemes may be cheaper, but conversely regulatory requirements can also increase scheme costs.

EXECUTIVE MANAGER, INFRASTRUCTURE DEVELOPMENT REPORT NO 1 OF 2012/13

Village	Water Supply	Sewerage	Totals
Coomba Park	\$9.8M	\$18.5M	\$28.3M
Allworth	\$2.8M	\$5.0M	\$7.8M
Nerong	\$3.0M	\$5.9M	\$8.9M
Stroud Road	(currently supplied with town water)	\$3.9M	\$3.9M
North Port Stephens	\$13.8M	\$19.8M	\$33.6M
Totals	\$29.4M	\$53.1M	\$82.5M

The following table indicates today's approximate cost per lot of the preferred options as reported in 2003.

Village	Water Supply	Sewerage	Total
Coomba Park	\$26k	\$25k	\$51k
Allworth	\$39k	\$33k	\$72k
Nerong	\$45k	\$45k	\$90k
Stroud Road	(currently supplied with town water)	\$40k	\$40k
North Port Stephens			
<i>North Arm Cove</i>	\$30k	\$26k	\$56k
<i>North Pindimar</i>	\$30k	\$33k	\$63k
<i>South Pindimar</i>	\$30k	\$33k	\$63k
<i>Bundabah</i>	\$30k	\$33k	\$63k

The figures above indicate the high cost of servicing these villages. Providing these services to these villages at the current price path has been regularly reviewed and has been determined not to be financially sustainable without significant subsidy from government.

Looking to the future

There is a need to review the analysis undertaken in 2000, and the various options reports which followed. MCW plans to review this work with respect to the following factors:

- Extend the bounds of the analysis to address small villages and fringe areas within the Gloucester Shire;
- Changes to allowable land uses as per the LEP's from our constituent councils;
- The introduction of new decision support frameworks by the constituent councils to better control the risks of on-site systems of sewage management.
- Changes to current uses of downstream water ways; and
- Availability of new, low-cost technologies – both 'centralised' and 'decentralised'.

Making the analysis current will provide MCW and our community with more certain inputs into future delivery plans, and enable MCW to be prepared for Federal or State Government funding opportunities, if and when they become available.

Recommended that the information on the small villages program be noted.

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