



11.2 MEMBER COUNCIL REQUIREMENTS FOR BINS AND CADDIES FOR THE IMPLEMENTATION OF FOOD ORGANICS AND GARDEN ORGANICS (FOGO)

In accordance with Clause 9.1 of the *EMRC Standing Orders Local Law 2013*, Cr Piffaretti has given notice of her intention to move the following motion at the Ordinary Meeting of Council to be held on 19 March 2020:

Amended motion

That Council:

1. *Declares on this day 19 March 2020, a distribution totalling \$13,789,200 from the Secondary Waste Reserve.*
2. *Authorises the distribution to the respective Participants of the EMRC:*
 - a. *be based on \$100 per household; and*
 - b. *following the next Census in 2021 an adjustment distribution be made based on revised number of households per member Council.*
3. *Agrees the distribution of funds to the respective member Councils is to assist and support the implementation of FOGO recovery program including the cost of bins, kitchen caddies and first year caddy liners in line with the Secondary Waste treatment of household municipal waste. Should a member Council decide not to proceed with the FOGO program, distributed funds are to be refunded to the Secondary Waste Reserve.*
4. *Request an updated timeline for tender implementation of a permanent FOGO processing solution that includes the tasks of preparing a feasibility study and obtaining Council approval prior to tenders being called.*

Rationale provided by Cr Piffaretti

At the September 2019 Ordinary Meeting of Council, Council endorsed the implementation of the Food Organics and Garden Organics Recovery Strategy. It also endorsed “the funding of bins, caddies and initial education/product marketing for member Councils will be funded through the Secondary Waste Reserve”.

FOGO education and the marketing campaign is already well underway with the community preparedness for the implementation very far advanced.

However, this timing may be significantly impacted by the WAC Recommendation from its 5 March 2020 meeting which has requested that a report be prepared for a future WAC meeting. The timing poses a serious issue for the FOGO trial, specifically for the Town of Bassendean and the City of Bayswater as they prepare to proceed with the FOGO collection from around 1 July 2020.

There is a serious concern that if the funding is not agreed to at this meeting, the success of the trial will be compromised.

It is recommended that funding of bins, kitchen caddies and caddy liners for the implementation of FOGO at member Councils be approved as a distribution of funds from the Secondary Waste Reserve.

Officer Comments

We recognise the significance of a timely decision by Council to ensure funding is provided to the member Councils to fund the implementation of FOGO at the household level. The bin assets and kitchen caddies are critical to the community to collect FOGO waste correctly. The procuring of the bin assets requires time and any delays in ordering them will compound the issues with a coordinated roll out to the community.

The FOGO collection infrastructure upgrade is assumed to consist of a new 140 litre red lid bin, a new 240 litre with new lime green lid bin, a kitchen caddy, two rolls of caddy liners, old bin removal, distribution and assembly charge, delivery of caddy and liners.

Market testing shows a total cost range of approximately \$91 to \$111 per package (detailed costing available).



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For modelling EMRC officers used \$100 per unit dwelling. How the \$100 allocation per household will be spent will obviously be determined by each Council, as to whether they upgrade two bins, or one bin and one lid, or some other scenario.

Consistent with funding the bins, caddies and liners for the first year, it is anticipated the cost will be approximately \$13,789,200 based on the \$100 cost of FOGO assets upgrade per unit dwelling household (this includes single (SUD) and multi-unit dwellings (MUD)). It is noted that only SUDs will be implementing FOGO consistent with the Better Bins Program initially.

Based on the number of dwelling figures sourced from "Potential FOGO recovery estimates" provided to the Minister of LG in DWERME2620/19, a \$13.78 million distribution will be apportioned as follows:

<u>Participant Council</u>	(SUD and MUD) <u>Distribution</u>
Town of Bassendean	\$ 648,100
City of Bayswater	\$ 2,867,500
City of Belmont	\$ 1,720,400
City of Kalamunda	\$ 2,193,700
Shire of Mundaring	\$ 1,455,200
City of Swan	\$ 4,904,300
	<u>\$ 13,789,200</u>

Following feedback from WAC Officers, they have expressed the "fair and equitable" method of distribution should be based on population rather than by households. This is consistent with the Establishment Agreement's recognition of equity based on "the same proportions as the Population of each Participant bears to the total of the Populations of all Participants."

Based on the population figures utilised in the latest set of audited Annual Report ending 30 June 2019, a \$13.78 million distribution would be apportioned as follows (column B):

<u>Participant Council</u>	PER H/HOLD @ \$100.00 (A)	EQUITY \$ (B)	DIFFERENCE (B) - (A)	EQUITY PER H/HOLD \$
Town of Bassendean	\$648,100	\$591,454	-\$56,646	\$91
City of Bayswater	\$2,867,500	\$2,564,083	-\$303,417	\$89
City of Belmont	\$1,720,400	\$1,559,900	-\$160,500	\$91
City of Kalamunda	\$2,193,700	\$2,215,126	\$21,426	\$101
Shire of Mundaring	\$1,455,200	\$1,470,800	\$15,600	\$101
City of Swan	\$4,904,300	\$5,387,837	\$483,537	\$110
	\$13,789,200	\$13,789,200	\$0	\$100

In case an equity-based approach was taken, the distribution would range between \$89 and \$110 per dwelling.



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SECONDARY WASTE RESERVE

The Secondary Waste Reserve was established in accordance with s.6.11 of the *Local Government Act 1995* for the specific purpose to accumulate and to make provision for Secondary Waste Treatment Technology in the future. The use of the funds must be consistent for this purpose. To that end, Council has reaffirmed the use of the funds from the Secondary Waste Reserve at its September 2019 meeting.

The proposed distribution of funds is to ensure funds are available to member Councils for the cost of the FOGO assets. The Town of Bassendean and City of Bayswater are committed to the interim FOGO trial commencing in July 2020. They will join the remaining four member Councils in working with the EMRC officers towards implementing the permanent FOGO facility solution.

AMENDED MOTION(S)

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4. *Request an updated timeline for tender implementation of a permanent FOGO processing solution that includes the tasks of preparing a feasibility study and obtaining Council approval prior to tenders being called.*

COUNCIL RESOLUTION(S)

MOVED CR

SECONDED CR
