

## TECHNICAL ADVISORY COMMITTEE

### MINUTES

12 February 2009

(REF: COMMITTEES-8911)

A meeting of the Technical Advisory Committee was held at the EMRC Administration Office, 1<sup>st</sup> Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 12 February 2009**. The meeting commenced at **3.45pm**.

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**6 PRESENTATIONS**

The Chairman advised that the Executive Manager Waste Management Services would give a presentation at Item 11 General Business on the impacts of the Carbon Pollution Reduction Scheme on Red Hill.

**7 ANNOUNCEMENT OF CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC**

Nil

**8 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING**

Nil



## **9 REPORTS OF OFFICERS**

### **9.1 DRAFT ENVIRONMENTAL SERVICES CONSULTING FEES 2009/2010**

**REFERENCE: COMMITTEES-8905**

#### **PURPOSE OF REPORT**

To provide member Councils with draft environmental consulting rates proposed for 2009/2010.

#### **KEY ISSUES AND RECOMMENDATION(S)**

- The environmental consulting rates have evolved over time to meet the needs of the member Councils by providing a mix of rates based on the diversity of tasks and experience required to fulfil consulting activities.
- The rates have consistently been well below private sector consultancy rates (at least 50.00% less) and have only increased each year in accordance with CPI or marginally above CPI (average 4.00% - 7.00% per year).
- In 2007, the proposed fees for 2007-2008 were assessed against actual costs for staff and a set percentage for overhead recovery (30.00%).
- The rates for 2009/2010 were reassessed against current costs in late 2008. This showed that costs could be maintained within a CPI-based increase of 4.35% - 5.52%, rounded to whole dollars for convenience.
- The most commonly utilised Consultant Officer rates for member Councils are proposed to increase to \$63 per hour, an increase of \$3 or 5.00% per hour, with the proposed rates for the Manager of the Service increasing by 5.13% and the Executive Manager by 4.55% to \$82 and \$92 per hour respectively. Technical Officer charge-out rates are proposed to be increased by 4.35% to \$48 per hour.
- All Environmental Service staff are allocated to one of the five levels within the fee structure to facilitate officer costs to be incorporated into funding applications and possible consultancy roles.
- It is proposed to increase environmental consulting rates to other clients by an average of 5.22% – 5.52% per hour in 2009/2010, however this is a very minor component of the consulting work load and there is no work identified for external clients at this time.
- Internal (EMRC) consulting rates for 2009/2010 are proposed to be increased between 4.76% and 5.48%.
- The proposed consulting rates will be used to develop the draft 2009/2010 budget.

#### **Recommendation(s)**

That the Draft Environmental Services Consulting Rates forming attachment 1 to this report be used to develop the draft 2009/2010 budget and be referred to member Councils for consideration during the development of their 2009/2010 budgets.

#### **SOURCE OF REPORT**

Manager Environmental Services



*Item 9.1 continued*

## **BACKGROUND**

Environmental Services consulting rates are reviewed on an annual basis as part of the preparation of the annual budget. Proposed rates are distributed to member Councils for review and comment to assist in the preparation of member Council budgets.

The environmental consulting rates have evolved over time to meet the needs of the member Councils by providing a mix of rates based on the diversity of tasks and experience required to fulfil consulting activities. The rates have consistently been well below private sector consultancy rates (around 50.00% less) and have only increased each year in accordance with CPI or marginally above CPI (average 4.00% - 7.00% per year).

There was no increase in member Council consulting rates from 2003/2004 to 2004/2005, and an average increase of 6.00% from 2004/2005 to 2005/2006. In 2006/2007 and 2008/2009 rates for member Councils increased by two dollars for most categories of consulting staff and for internal (EMRC) consulting, between two dollars and five dollars per hour.

## **REPORT**

Officers at the EMRC recognise the importance of maintaining reasonable charge out rates for member Councils to maintain the current levels of utilisation and to be in line with member Council budget expectations.

The proposed consulting fees for 2009/2010 are based around three levels of consultant in addition to Manager and Executive Manager. It is expected that most consulting activities would be undertaken by the Consultants, Senior Consultants and Technical Officers, which will provide a cost-effective service for member Councils.

Rates were reviewed in detail for 2007/2008, being measured against actual current staff and overhead costs to ensure that the rates proposed covered these costs whilst also meeting member Council expectations. This included the full cost to the EMRC of each staff member in each level of consultancy and included a standard allocation of 30.00% for overhead recovery. This resulted in increases of between 0.00% and 7.10% for member Council rates and between 0.00% and 5.50% for internal (EMRC) consulting rates. External rates were raised by at least 30.00% to reflect higher commercial consulting rates.

A further detailed review took place in October 2008 to reassess current staff employment costs.

For 2009/2010, all Environmental Services charge out rates are proposed to be increased by approximately the CPI (4.35% - 5.52%), rounded to the nearest whole dollar. Currently, compared to rates for external clients, the proposed member Council consulting rates represent a 55.00% - 60.00% discount, and the proposed EMRC rates a 41.00% - 55.00% discount.

Other changes during the past year include the increasingly complex funding environment for major projects, particularly the Eastern Hills Catchment Management Program. One outcome of this complexity is an increasing likelihood that some components of these projects may be undertaken on a consulting basis for external funding bodies. On this basis, each project staff member is now allocated to a consultant category so that project staff can calculate costs for funding applications or may take on consulting roles when appropriate.

Charge-out rates for the EMRC are slightly higher than member Council rates in order to achieve cost recovery for the service and to maintain member Council rates at highly competitive levels that encourage utilisation.



*Item 9.1 continued*

The external consulting role would only be undertaken where there are wider benefits to the region (e.g. emerging disciplines, new techniques, extending skill base etc) and there is no risk of impacting on member Council and partner funding body commitments, or to provide continuity of funding to fill gaps in demand. As there is very little external consulting undertaken at this stage, this is not expected to substantially affect the Service's budget forecasts.

The proposed consulting rates will be used to develop the draft 2009/2010 budget. The EMRC Environmental Service is committed to aligning its consulting service and regional project delivery to meet member Council needs as the highest priority.

**STRATEGIC/POLICY IMPLICATIONS**

Adoption of the draft consulting rates for the preparation of the draft 2009/2010 budget will contribute toward the enabler objective of "Continue to improve corporate financial management" and the core process objective "Encourage utilisation of the environmental consulting services".

**FINANCIAL IMPLICATIONS**

The proposed rates will be used to develop detailed budgets for Environmental Service consulting activities and a review of the EMRC Five Year Financial Plan.

**SUSTAINABILITY IMPLICATIONS**

The rates being proposed for the EMRC and member Councils recognise the competing demands on budgets from other sources and have been designed to facilitate the achievement of a sustainable service delivery arrangement.

**MEMBER COUNCIL IMPLICATIONS**

<b>Member Council</b>	<b>Implication Details</b>
Town of Bassendean	} As outlined in the report and attachment.
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

ATTACHMENT(S)

Draft Environmental Services Consulting Rates 2009/2010 (Ref: Committees-8927)

VOTING REQUIREMENT

Simple Majority



*Item 9.1 continued*

**RECOMMENDATION(S)**

That the Draft Environmental Services Consulting Rates forming attachment 1 to this report be used to develop the draft 2009/2010 budget and be referred to member Councils for consideration during the development of their 2009/2010 budgets.

**TAC RECOMMENDATION(S)**

MOVED MR COTEN

SECONDED MR PURDY

That the Draft Environmental Services Consulting Rates forming attachment 1 to this report be used to develop the draft 2009/2010 budget and be referred to member Councils for consideration during the development of their 2009/2010 budgets.

**CARRIED UNANIMOUSLY**

**COUNCIL RESOLUTION(S)**

MOVED CR GODFREY

SECONDED CR LAVELL

THAT THE DRAFT ENVIRONMENTAL SERVICES CONSULTING RATES FORMING ATTACHMENT 1 TO THIS REPORT BE USED TO DEVELOP THE DRAFT 2009/2010 BUDGET AND BE REFERRED TO MEMBER COUNCILS FOR CONSIDERATION DURING THE DEVELOPMENT OF THEIR 2009/2010 BUDGETS.

**CARRIED UNANIMOUSLY**

## Draft Environmental Consulting Rates 2009/2010

	Prior Year Actuals					Proposed	
	2004/05	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	% Change
<b>Member Council Consulting Fees</b>							
Consultant Executive	\$76.00	\$78.00	\$80.00	\$85.00	\$88.00	\$92.00	4.55%
Consultant Manager			\$70.00	\$75.00	\$78.00	\$82.00	5.13%
Senior Consultant	\$56.00	\$58.00	N/A	\$65.00	\$68.00	\$71.00	4.41%
Consultant	\$54.00	\$56.00	\$58.00	\$58.00	\$60.00	\$63.00	5.00%
Technical Officer	\$39.00	\$40.00	\$42.00	\$44.00	\$46.00	\$48.00	4.35%
<b>Other Organisations Consulting Fees</b>							
Consultant Executive	\$105.00	\$110.00	\$115.00	\$150.00	\$165.00	\$174.00	5.45%
Consultant Manager	\$90.00	\$95.00	\$100.00	\$130.00	\$145.00	\$153.00	5.52%
Senior Consultant	\$90.00	\$95.00	N/A	\$130.00	\$145.00	\$153.00	5.52%
Consultant	\$80.00	\$85.00	\$90.00	\$120.00	\$132.00	\$139.00	5.30%
Technical Officer	\$70.00	\$75.00	\$80.00	\$105.00	\$115.00	\$121.00	5.22%
<b>Internal (EMRC) Consulting Fees</b>							
Consultant Executive	\$90.00	\$90.00	\$90.00	\$95.00	\$98.00	\$103.00	5.10%
Consultant Manager	\$75.00	\$75.00	\$80.00	\$80.00	\$84.00	\$88.00	4.76%
Senior Consultant	\$75.00	\$75.00	N/A	\$80.00	\$83.00	\$87.00	4.82%
Consultant	\$68.00	\$68.00	\$70.00	\$70.00	\$73.00	\$77.00	5.48%
Technical Officer	\$52.00	\$52.00	\$55.00	\$55.00	\$57.00	\$60.00	5.26%

\* Note : All Rates are exclusive of GST



## 9.2 PROPOSED 2009/2010 SCHEDULE OF FEES & CHARGES FOR WASTE DISPOSAL

REFERENCE: COMMITTEES-8934

### PURPOSE OF REPORT

The purpose of the report is to propose preliminary fees and charges for the disposal of waste at the Red Hill Waste Management Facility and Hazelmere site for 2009/2010 so that the 2009/2010 Draft Budget can be developed.

### KEY ISSUES AND RECOMMENDATION(S)

- The proposed Carbon Pollution Reduction Scheme is likely to have significant impacts on landfill fees. The potential financial impacts are discussed in this report.
- It is proposed that the 2009/2010 base waste disposal fee be set at \$33.00/tonne (ex GST).
- It is proposed that the member Council contribution to the Secondary Waste Reserve be increased to \$20.00 per tonne (ex GST), a \$2.00/tonne (ex GST) increase over the 2008/2009 contribution.
- It is proposed to leave the Waste Education levy unchanged at \$2.00/tonne (ex GST).
- The Department of Environment and Conservation has increased the Landfill Levy by \$1.00/tonne (ex GST) for 2009/2010, and the Landfill Levy will be \$8.00/tonne (ex GST) for all waste disposed of to landfill.
- The cost of member Council tip passes and prices for small vehicles are proposed to increase in line with increases to the Landfill Levy. Resulting fee increases are up to 9%.
- The Commercial/General Waste fee is proposed to be increased from the current rate of \$65.45/tonne to \$70.45/tonne (ex GST), an increase of 7.5%.
- Fees for the disposal of waste timber at the Hazelmere Timber Recycling Centre are proposed to be increased by between 20% and 36%.
- A detailed presentation of all other changes to waste fees and charges is contained in the report.

#### Recommendation(s)

That the Fees and Charges for Waste Management, forming Attachment 1 of this report, be referred to member councils for consideration during the development of their budgets and be used to develop the 2009/2010 EMRC Draft Budget.

### SOURCE OF REPORT

Executive Manager Waste Management Services  
Manager Financial Services

### BACKGROUND

Each year a Schedule of Fees and Charges is prepared as a basis for the development of EMRC's Budget.

At its meeting held 2 June 1999 Council adopted a methodology for financing the proposed secondary waste processing facility which included a Secondary Waste Disposal Charge of \$2.00/tonne to be increased each year by \$2.00/tonne.

A system of discounted fees for large volumes of commercial waste was adopted as a Confidential Item by Council in its meeting held 18 November 2004. That discount structure has continued largely unchanged since that resolution.



*Item 9.2 continued*

## **REPORT**

The proposed Fees and Charges have been set out in tabular form (refer attachment) and are discussed in detail below. In the discussion below, all fees are exclusive of GST.

### *Carbon Pollution Reduction Scheme*

Methane is generated in a landfill from the decomposition of waste, and continues for many decades after waste placement. Landfill gas extraction systems are in place at Red Hill, however significant quantities of gas are unable to be collected, and are thus emitted to the atmosphere.

The Carbon Pollution Reduction Scheme (CPRS), proposed to come into effect in July 2010, places a cost on the emission of methane from landfill, including from Red Hill. The current design of the CPRS is to separate "legacy" emissions (emissions generated from waste placed prior to July 2010) from current emissions (emissions generated from waste placed on or after 1 July 2010). From July 2010 until June 2018, permits are only required to be acquitted for current emissions. From July 2018, legacy emissions are included in the permit requirement. Because of the long timeframe over which methane is generated, waste placed in 2009/10 will incur a liability in 2018.

Modelling of the gate price impact of the CPRS indicates that the cost per tonne of waste for CPRS permits is \$11.53/tonne for Municipal Solid Waste, \$18.70/tonne for Commercial and Industrial Waste, and \$2.57/tonne for Contaminated Soil. This is a substantial increase in landfill fees. Discussions with other landfill operators suggest that an increased fee for carbon permits is not likely to be imposed at other waste facilities, and thus the EMRC would be at a substantial financial disadvantage if it applied the fee. The probable result would be a significant loss of commercial waste tonnages and the associated income. On the other hand, by not collecting funds to purchase carbon permits, the EMRC would accrue a liability of \$5.3m in the 2009/10 financial year, payable between 2018 and 2100. Of this accrued liability, \$3.3m is from commercial waste, and is thus unable to be recouped after the waste is deposited.

The matter is clearly complex and subject to rapid change. Legislation to create the CPRS is expected to be introduced into Parliament in June 2009, and it appears that the Government does not have sufficient support in the Senate to pass the CPRS without amendment. Further, when the European Union introduced a similar system to that proposed for Australia, the price of permits collapsed a few years after initial start-up. Finally, liabilities do not fall due for many decades. As a result of these concerns, it is not proposed to incorporate the CPRS permit price in the draft 2009/10 fees and charges. Instead, a further report will be prepared in relation to the cost impacts of the CPRS for Council's consideration prior to the adoption of the final 2009/10 budget and fees and charges. The potential cost impact of the CPRS is proposed to be offset somewhat by increasing fees and charges at the upper end of the increase range.

### *Member Councils*

The previous Minister of the Environment, when announcing the increase in the Landfill Levy of \$6.00/tonne being applied as from 1 October 2006, indicated that the levy will be increased by \$1.00/tonne in each year to 2011/2012. The Landfill Levy for 2009/10 will be \$8.00/tonne.

The annual \$2.00/tonne increase in contributions to the Secondary Waste Reserve by Member Councils adopted at the June 1999 meeting has been added to the 2008/2009 rate of \$18.00. This has been used in developing the 2009/2010 Member Council waste management fees and charges.

The Waste Education levy is proposed to remain unchanged at \$2.00/tonne.

The Base Tipping Fee is proposed to be increased from \$31.00/tonne to \$33.00/tonne, an increase of approximately 6.5%. This increase seeks to keep landfill fees increasing in line with the inflation in costs of both construction and operation of the landfill, and prepare for the CPRS.



*Item 9.2 continued*

*Councils – Other*

The fees for WMRC Domestic and WMRC Commercial are identical to the Member Council and Commercial waste fees, and so are increased in line with increases to each of those fees. No fee increase is proposed for the Domestic Refuse Tip Pass (Gidgegannup), and increases are proposed for Council Refuse Tip Passes for both cars and trailers to reflect the landfill levy increase.

*General Waste*

The commercial/general waste disposal rates are proposed to be increased from \$65.45/tonne to \$70.45/tonne. This is at the high end of the range of current pricing for commercial waste in the Perth region. Only two facilities are more expensive than the proposed Red Hill fees; their charges are \$73.95/tonne and \$90.91/tonne. Most facilities currently charge substantially less than Red Hill, with fees ranging from \$56.00/tonne to \$61.82/tonne. By setting the commercial waste charge at the high end of the band, the EMRC is less exposed to long term liabilities accruing from CPRS permits without pricing itself out of the market.

The discount structure applicable to large quantities of waste is proposed to be retained at \$4.55/tonne for tonnages in excess of 15,000 tonnes and a further \$4.55/tonne for annual tonnages in excess of 25,000 tonnes. The discount is proposed to apply to all waste types, but not be aggregated across waste types where a single company delivers a number of different types of waste.

There is a significant risk that, irrespective of the bulk waste volume discount, the increase in disposal fees will be too large for the market to bear, and thus commercial tonnages may decline substantially. The change in commercial tonnages depends largely upon how competitors respond to the CPRS. In the event that tonnages decline dramatically, the EMRC may need to increase member Council waste disposal fees, or reconsider support for programmes that are undertaken on behalf of member Councils.

The Special Access Fee is proposed to be abandoned in 2009/2010, as it may discourage customers from utilising the facility at a time where commercial tonnages need to be preserved. No customers currently attract the Special Access Fee, as the sole customer that was attracting the fee (West Australian Landfill Services) now utilises an alternative site. WALs is unlikely to return to Red Hill in any significant way, as the South Cardup landfill has now re-opened for WALs' waste, but the Special Access Fee strongly deters WALs from utilising Red Hill at all.

The charges for trailers, tip passes etc. are proposed to all increase slightly (from 2% to 8%) to reflect the increased landfill levy.

*Greenwaste*

The fees for greenwaste are proposed to be adjusted slightly to encourage the purchase of compost and mulch, thus dealing with current concerns of an oversupply of mulch and compost. The proposed adjustment is a \$2.50/tonne increase in the disposal of uncontaminated green waste from member Councils from \$26.50/tonne to \$29.00/tonne, and a \$2.50/tonne decrease in the purchase price for compost and mulch from \$25.00/tonne to \$22.50/tonne. The fee for commercial green waste is proposed to be increased from \$27.27/tonne to \$30.00/tonne.

The fee for MGB greenwaste will continue to be indexed to the waste disposal fee less landfill levy. The CPRS fee is proposed to also be excluded from the fee for MGB greenwaste when the CPRS is introduced.

The option of green waste disposal at Hazelmere is proposed to be continued, however the disposal fee is proposed to be increased from \$36.36/tonne to \$43.55/tonne. The increase reflects costs for the cartage of shredded green waste to Red Hill. Green waste disposal at Hazelmere has not yet commenced.



### *Item 9.2 continued*

#### *Special wastes*

It is proposed to increase the fee for asbestos disposal from \$72.73 to \$77.27/tonne to ensure that Red Hill does not receive excessive quantities of commercial asbestos that can be better handled at inert waste landfills. The fee for the disposal of asbestos from member Council residents is proposed to remain unchanged at \$59.09/tonne.

The charges for the disposal of car bodies are proposed to be increased to counter the potential for landfill disposal of car bodies. The charge for commercial car bodies is proposed to be increased from \$9.10 to \$18.18 each, and the charge for member Council resident disposal of a car body from nil to \$9.09. The decline in scrap steel prices has meant that car bodies are no longer worth the same money as they were, and residents may seek to dispose of car bodies to landfill. The management of car bodies interferes with the orderly operation of the landfill face, and car bodies are difficult to place in scrap steel bins.

The disposal fees for Class III and Class IV waste are proposed to be increased by between 5% and 8%, again to cover some of the long term CPRS permit liability. The disposal fee for Class V waste to be concrete encapsulated is proposed to be increased from \$500.00/tonne to \$550.00/tonne to reflect continued increases in concrete prices.

#### *Hazelmere*

The volumetric and tonnage fees for the acceptance of timber waste are all proposed to be increased to cover increasing costs of site operations. The increases are less than has been applied to landfill fees, retaining the disposal of timber waste at Hazelmere as an attractive option for customers.

#### *Sale of materials*

It is proposed to reduce the prices for the sale of mulch, compost and ferricrete in order to encourage the sale of these products, each of which has accumulated large volumes on site. The proposed change for mulch and compost is a reduction from \$25.00 to \$22.50/tonne, and the price for ferricrete is proposed to be decreased from \$12.00 to \$11.00/tonne.

The price for the sale of woodchip is proposed to remain unchanged, however the price for the sale of wood fines is proposed to be increased from \$30.00 to \$40.91/tonne. The revised wood fines price reflects the high demand for this product. Fees for coloured mulch are proposed to remain unchanged since their amendment in the 23 October 2008 Council meeting. Discounts of 5% and 10% on the sale price are proposed to remain for single orders of a particular product in excess of 100 and 1,000 tonnes respectively.

It should be noted that the fees proposed in this report are subject to review upon preparation of the final budgets for 2009/2010.

## **STRATEGIC/POLICY IMPLICATIONS**

The Fees and Charges have been developed to minimise the environmental impact of waste disposal and improve member Council and EMRC financial viability.

Income from commercial waste over and above the variable costs of landfill operation reduces the waste disposal costs for the member Councils and contributes to EMRC surpluses that fund other programmes.

## **FINANCIAL IMPLICATIONS**

The Fees and Charges have been developed to ensure that the Red Hill and Hazelmere operations are undertaken in a fiscally responsible manner.

## **SUSTAINABILITY IMPLICATIONS**

The Fees and Charges will ensure the Red Hill Waste Management Facility and Hazelmere site are operated in a socially, environmentally and financially responsible manner.



*Item 9.2 continued*

## **MEMBER COUNCIL IMPLICATIONS**

<b>Member Council</b>	<b>Implication Details</b>
Town of Bassendean	} As outlined in the report and attachment
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

## **ATTACHMENT(S)**

2009/2010 Proposed schedule of fees and charges (Ref: Committees-8979)

## **VOTING REQUIREMENT**

Simple Majority

## **RECOMMENDATION(S)**

That the Fees and Charges for Waste Management, forming Attachment 1 of this report, be referred to member Councils for consideration during the development of their budgets and be used to develop the 2009/2010 EMRC Draft Budget.

## **Discussion ensued**

Mr Lutey stated that the Hazelmere volume increases are less than those applied to the Red Hill landfill fees and asked if that meant that it was cheaper to take the waste to Hazelmere rather than Red Hill. The Executive Manager Waste Management services confirmed that it was.

Mr Lutey referred to the reduced price for ferricrete etcetera and asked if the prices per tonne were loaded. The Executive Manager Waste Management services confirmed that the prices were loaded for all materials except for clay.

Mr Purdy referred to the 6.5% increase in the base tipping fees and asked if this was a realistic cost for the operations. The Executive Manager Waste Management services advised that the increase was partly anticipating increased carbon costs, and partly because of the reduced commercial tonnages to Red Hill.

## **TAC RECOMMENDATION(S)**

MOVED MR STEWERT-DAWKINS    SECONDED MR LUTEY

That the Fees and Charges for Waste Management, forming Attachment 1 of this report, be referred to member councils for consideration during the development of their budgets and be used to develop the 2009/2010 EMRC Draft Budget.

**CARRIED UNANIMOUSLY**



*Item 9.2 continued*

**COUNCIL RESOLUTION(S)**

MOVED CR GODFREY                      SECONDED CR LAVELL

THAT THE FEES AND CHARGES FOR WASTE MANAGEMENT, FORMING ATTACHMENT 1 OF THIS REPORT, BE REFERRED TO MEMBER COUNCILS FOR CONSIDERATION DURING THE DEVELOPMENT OF THEIR BUDGETS AND BE USED TO DEVELOP THE 2009/2010 EMRC DRAFT BUDGET.

**CARRIED UNANIMOUSLY**

**EASTERN METROPOLITAN REGIONAL COUNCIL**  
**2009/2010 WASTE MANAGEMENT PROPOSED SCHEDULE OF FEES AND CHARGES**

Description	Weight/Unit	2008/2009 Charges with no GST		2008/2009 Charges inc GST		2009/2010 Charges with no GST		2009/2010 Charges inc GST		2008/2009 to 2009/2010 Exc. GST
		\$	\$	\$	\$	\$	\$	\$	\$	
<b>Waste Management Charges</b>										
<b>Disposal Rates</b>										
<b>Member Councils</b>										
	1 tonne									
Base Tipping Fee		31.00	3.10	34.10	33.00	3.30	36.30	6.45%		
CWES Levy		2.00	0.20	2.20	2.00	0.20	2.20	0.00%		
Secondary Waste Reserve		18.00	1.80	19.80	20.00	2.00	22.00	11.11%		
Landfill Levy		7.00	0.70	7.70	8.00	0.80	8.80	14.29%		
Carbon Pollution Reduction Scheme permits		0.00	0.00	0.00	0.00	0.00	0.00	N/A		
<b>Total Member Council disposal rate - (*)</b>		<b>58.00</b>	<b>5.80</b>	<b>63.80</b>	<b>63.00</b>	<b>6.30</b>	<b>69.30</b>	<b>8.62%</b>		
<b>Councils - Other</b>										
WMRC - Domestic - (*)	1 tonne	58.00	5.80	63.80	63.00	6.30	69.30	8.62%		
WMRC - Commercial	1 tonne	65.45	6.55	72.00	70.45	7.05	77.50	7.64%		
Domestic Refuse Tip Pass (Gidgegannup @ 3bags/wk)	n/a	2.73	0.27	3.00	2.73	0.27	3.00	0.00%		
Council Refuse Tip Passes - Cars (up to 200kg)	n/a	10.91	1.09	12.00	11.82	1.18	13.00	8.32%		
Council Refuse Tip Passes - Trailers (up to 500kg)	n/a	19.09	1.91	21.00	20.00	2.00	22.00	4.77%		
<b>General Waste</b>										
Cars / Station Wagons	n/a	12.27	1.23	13.50	12.73	1.27	14.00	3.73%		
Trailers (6 x 4)	n/a	23.18	2.32	25.50	23.64	2.36	26.00	1.97%		
Trailers (6 x 4) High Sides	n/a	28.18	2.82	31.00	29.09	2.91	32.00	3.23%		
Tandem/ Horse Floats (< 1 tonne)	n/a	41.82	4.18	46.00	43.64	4.36	48.00	4.34%		
Vans / Utes	n/a	20.45	2.05	22.50	20.91	2.09	23.00	2.24%		
Commercial (General)	1 tonne	65.45	6.55	72.00	70.45	7.05	77.50	7.64%		
Minimum Commercial Charges		32.73	3.27	36.00	35.23	3.52	38.75	7.62%		
Commercial (Special Access)	1 tonne	75.45	7.55	83.00	NOT APPLICABLE			N/A		
<b>Greenwaste</b>										
Greenwaste - uncontaminated (Member Councils)	1 tonne	26.50	2.65	29.15	29.00	2.90	31.90	9.43%		
Greenwaste - MGB (Member Councils)	1 tonne	51.00	5.10	56.10	55.00	5.50	60.50	7.84%		
Greenwaste - uncontaminated (Commercial)	1 tonne	27.27	2.73	30.00	30.00	3.00	31.90	10.01%		
Greenwaste - uncontaminated (to Hazelmere)	1 tonne	36.36	3.64	40.00	43.55	4.35	47.90	19.76%		
Greenwaste - shredded to EMRC specification (to Red Hill)	1 tonne		NO CHARGE		NO CHARGE			N/A		
(For 2009/2010 annual cumulative Commercial & Contaminated Soils tonnages disposed in excess of 15,000 tonnes and 25,000 tonnes are subject to a reduction of \$5.00/tonne and \$10.00/tonne respectively.)										
(*) 2009/2010 - Inclusive of \$20.00 Secondary Waste Reserve and \$2.00 CWES Levy.										

**EASTERN METROPOLITAN REGIONAL COUNCIL**  
**2009/2010 WASTE MANAGEMENT PROPOSED SCHEDULE OF FEES AND CHARGES**

Description	Weight/Unit	2008/2009 Charges with no GST		2008/2009 Charges inc GST		2009/2010 Charges with no GST		2009/2010 Charges inc GST		2008/2009 to 2009/2010 Exc. GST
		\$	\$	\$	\$	\$	\$	\$	\$	
<b>Waste Management Charges continued .</b>										
<b>Disposal Rates continued.</b>										
<b>Special Wastes</b>										
Asbestos	1 tonne	72.73	7.27	80.00	77.27	7.73	85.00	6.25%		
Asbestos - Member Council residents only	1 tonne	59.10	5.90	65.00	59.10	5.90	65.00	0.00%		
Asbestos - Minimum Charge		13.64	1.36	15.00	13.64	1.36	15.00	0.00%		
Car Bodies - Commercial	each	9.10	0.90	10.00	18.18	1.81	20.00	99.80%		
Car Bodies - Member Council residents only	each	NO CHARGE			9.09	0.90	10.00	N/A		
Quarantine Waste	1 tonne	81.00	8.10	89.10	85.00	8.50	93.50	4.94%		
Burial Fee (for immediate burial requirements)	n/a	122.73	12.27	135.00	122.73	12.27	135.00	0.00%		
Tyre Disposal (off rim)	each	2.73	0.27	3.00	2.73	0.27	3.00	0.00%		
Tyre Disposal (with rim)	each	5.45	0.55	6.00	5.45	0.55	6.00	0.00%		
Mattress disposal fee (to Red Hill)	each	4.55	0.45	5.00	4.55	0.45	5.00	0.00%		
Wash Facility Fee		31.82	3.18	35.00	31.82	3.18	35.00	0.00%		
Class III Waste	1 tonne	65.45	6.55	72.00	70.45	7.05	77.50	7.64%		
Class III Contaminated Soil	1 tonne	51.82	5.18	57.00	55.82	5.58	61.40	7.72%		
Class IV Waste	1 tonne	88.18	8.82	97.00	93.18	9.32	102.50	5.67%		
Class IV Contaminated Soil	1 tonne	75.45	7.55	83.00	79.45	7.95	87.40	5.30%		
Class V Waste	1 tonne	500.00	50.00	550.00	550.00	55.00	605.00	10.00%		
<b>Hazelmere</b>										
Mattress disposal fee	each	4.55	0.45	5.00	4.55	0.45	5.00	0.00%		
Wood Waste (per cubic metre)										
- Grade 1	1 m3	3.18	0.32	3.50	4.09	0.41	4.50	28.64%		
- Grade 2	1 m3	4.55	0.45	5.00	5.45	0.54	6.00	19.88%		
- Grade 3	1 m3	10.00	1.00	11.00	13.64	1.36	15.00	36.36%		
- Grade 4	1 m3	30.00	3.00	33.00	36.36	3.64	40.00	21.21%		
Wood Waste (per tonne)										
- Grade 1	1 tonne	30.00	3.00	33.00	40.91	4.09	45.00	36.36%		
- Grade 2	1 tonne	35.00	3.49	38.49	54.55	5.44	60.00	55.84%		
- Grade 3	1 tonne	57.00	5.70	62.70	72.73	7.27	80.00	27.59%		
- Grade 4	1 tonne	100.00	10.00	110.00	136.36	13.64	150.00	36.36%		
(For 2009/2010 annual cumulative Commercial & Contaminated Soils tonnages disposed in excess of 15,000 tonnes and 25,000 tonnes are subject to a reduction of \$5.00/tonne and \$10.00/tonne respectively.)										

**EASTERN METROPOLITAN REGIONAL COUNCIL**  
**2009/2010 WASTE MANAGEMENT PROPOSED SCHEDULE OF FEES AND CHARGES**

Description	Weight/Unit	2008/2009 Charges with no		2008/2009 Charges inc GST	2009/2010 Charges with no		2009/2010 Charges inc GST	2008/2009 to 2009/2010 Exc. GST
		GST	Value of GST		GST	Value of GST		
		\$	\$	\$	\$	\$	\$	
<u>Waste Management Charges continued .</u>								
<u>Sale of Materials (all ex stockpile, minimum 10 tonnes)</u>								
Sale of mixed clay/fill (purchaser to load)	1 tonne	0.50	0.05	0.55	0.50	0.05	0.55	0.00%
Sale of Mulch or Compost	1 tonne	25.00	2.50	27.50	22.50	2.25	24.75	-10.00%
Ferricrete	1 tonne	12.00	1.20	13.20	11.00	1.10	12.10	-8.33%
Wood Products (per cubic metre)								
Sale of Coloured Mulch	1 m3	14.00	1.40	15.40	30.00	3.00	33.00	114.29%
Sale of Coloured Mulch with Fire Retardant	1 m3	14.00	1.40	15.40	40.00	4.00	44.00	185.71%
Wood Chip (unscreened secondary ground) - Hazelmere	1 m3			NOT APPLICABLE	5.50	0.55	6.05	N/A
Wood Chip (secondary ground) - Hazelmere	1 m3	9.09	0.91	10.00	9.09	0.91	10.00	0.00%
Wood Chip (fines) - Hazelmere	1 m3	6.00	0.60	6.60	8.18	0.82	9.00	36.36%
Wood Products (per tonne)								
Sale of Coloured Mulch	1 tonne	70.00	7.00	77.00	150.00	15.00	165.00	114.29%
Sale of Coloured Mulch with Fire Retardant	1 tonne	70.00	7.00	77.00	200.00	20.00	220.00	185.71%
Wood Chip (unscreened secondary ground) - Hazelmere	1 tonne			NOT APPLICABLE	27.27	2.73	30.00	N/A
Wood Chip (secondary ground) - Hazelmere	1 tonne	45.45	4.55	50.00	45.45	4.55	50.00	0.00%
Wood Chip (fines) - Hazelmere	1 tonne	30.00	3.00	33.00	40.91	4.09	45.00	36.36%
(For 2009/2010 material purchases in excess of 100 tonnes and 1,000 are subject to a reduction of 5% and 10% respectively.)								



### **9.3 CHANGE TO 2009 TRAFFIC MANAGEMENT COURSE FEES (RISK MANAGEMENT SERVICE)**

**REFERENCE: COMMITTEES-8964**

#### **PURPOSE OF REPORT**

To seek Council approval to change previously adopted course fees,

#### **KEY ISSUES AND RECOMMENDATION(S)**

- The EMRC is authorised by Main Roads WA to deliver their traffic management training courses.
- Main Roads WA from time to time, vary the curricular and competencies required before the certification for their various courses can be issued. The most recent changes that came into effect on the 1 September 2008 and these impacted on Trainee assessment processes.
- Fees for Main Roads WA traffic management training courses Basic Worksite Traffic Management and Traffic Controller be increased by 14.9% to reflect new assessment processes imposed by Main Roads WA.

#### **Recommendation(s)**

That Council by an absolute majority, in accordance with the provisions of Section 6.16 of the Local Government Act 1995, increase the previously adopted fees for 2009 for Main Roads WA traffic management training courses Basic Worksite Traffic Management and Traffic Controller be increased by 14.9% from \$170.91 (exc. GST) to \$196.36 (exc. GST).

#### **SOURCE OF REPORT**

Manager Risk Management Service

#### **BACKGROUND**

A Local Government may impose a fee for goods or services and may amend the fees from time to time during a financial year under the provisions of Section 6.16 (3(b)) *Local Government Act 1995 (Financial Management)*.

The Risk Management Service manages the Registered Training Organisation (RTO) function of the EMRC. The EMRC as an RTO is an authorised provider of Main Roads WA traffic management training. The Risk Management Service proposes annual changes (calendar year basis) to course fees.

The 2008/09 Risk Management Services fees and charges were adopted by Council as part of the EMRC 2008/09 Budget during their meeting held on 21 August 2008 (Ref: Committees-8233).

#### **REPORT**

The Risk Management Service course fees are adjusted to take into account, the impact of inflation, market pressures and to ensure there is an adequate contribution to course costs.

On 1 September 2008, Main Roads WA changed the assessment requirements for the following courses:

- Basic Worksite Traffic Management (BWTM); and
- Traffic Controller (TC).

From this date, they mandated that the BWTM course would be fully aligned with the requirements of National unit of competency *BCCCM 3003C Implement Traffic Management Plan* and that the Traffic Controller course would be fully aligned with National unit of competency *BCCCM 2013C Control Traffic with a Stop / Slow Bat*.



*Item 9.3 continued*

Being a Main Roads authorised training provider the EMRC delivers these courses generally to local government authorities across the state, inclusive of member councils from time to time.

This change had the impact of extending the assessment processes and hence placing a greater administrative burden on the overall running of these courses. The cost of running these two courses and conducting the ensuing assessment processes has thus increased. It is proposed that fees (exclusive of GST) for the BWTM and Traffic Controller courses be increased from \$170.91 to \$196.36.

Note that the annual rates and fees report for the Risk Management Service, the subject of report Item 9.4, is proposing a 20.2% increase in the fees for these two courses for 2010 to reflect the extra costs associated with delivering the courses. If Council endorses the increase to the 2009 BWTM and Traffic Controller Course fees the proposed increase for 2010 fees will be 4.6% and not the 20.2% as indicated.

### **STRATEGIC/POLICY IMPLICATIONS**

- The increase in these course fees will support Key Result Area 4 Good Governance and specifically to 4.6 "To continue to improve financial and asset management practices".

### **FINANCIAL IMPLICATIONS**

The proposed fee increases will sustain the current contribution to the costs of running these two traffic management courses.

### **SUSTAINABILITY IMPLICATIONS**

Nil

### **MEMBER COUNCIL IMPLICATIONS**

<b>Member Council</b>	<b>Implication Details</b>
Town of Bassendean City of Bayswater City of Belmont Shire of Kalamunda Shire of Mundaring City of Swan	Minor increase in training costs should they currently use the EMRC Basic Worksafe Traffic Management and Traffic Controller training courses delivered at the EMRC Main Office.

### ATTACHMENTS

Nil

### VOTING REQUIREMENT

Absolute Majority



*Item 9.3 continued*

**RECOMMENDATION(S)**

That Council by an absolute majority, in accordance with the provisions of Section 6.16 of the Local Government Act 1995, increase the previously adopted fees for 2009 for Main Roads WA traffic management training courses Basic Worksite Traffic Management and Traffic Controller be increased by 14.9% from \$170.91 (exc. GST) to \$196.36 (exc. GST).

**TAC RECOMMENDATION(S)**

MOVED MR PURDY

SECONDED MR COTEN

That Council by an absolute majority, in accordance with the provisions of Section 6.16 of the Local Government Act 1995, increase the previously adopted fees for 2009 for Main Roads WA traffic management training courses Basic Worksite Traffic Management and Traffic Controller be increased by 14.9% from \$170.91 (exc. GST) to \$196.36 (exc. GST).

**CARRIED UNANIMOUSLY**

**COUNCIL RESOLUTION(S)**

MOVED CR GODFREY

SECONDED CR LAVELL

THAT COUNCIL BY AN ABSOLUTE MAJORITY, IN ACCORDANCE WITH THE PROVISIONS OF SECTION 6.16 OF THE LOCAL GOVERNMENT ACT 1995, INCREASE THE PREVIOUSLY ADOPTED FEES FOR 2009 FOR MAIN ROADS WA TRAFFIC MANAGEMENT TRAINING COURSES BASIC WORKSITE TRAFFIC MANAGEMENT AND TRAFFIC CONTROLLER BE INCREASED BY 14.9% FROM \$170.91 (EXC. GST) TO \$196.36 (EXC. GST).

**CARRIED UNANIMOUSLY**



## **9.4 DRAFT RISK MANAGEMENT CONSULTING RATES AND TRAINING COURSE FEES 2009/2010**

**REFERENCE: COMMITTEES-8935**

### **PURPOSE OF REPORT**

To provide member Councils with indicative risk management consulting rates and training course fees for 2009/2010 to aid budgeting processes.

### **KEY ISSUES AND RECOMMENDATION(S)**

- An increase in Risk Management consulting rates for Member Councils that reflects CPI movement ie 4.5%.
- For other non-Member clients, consulting rates to increase by 4.8 to 6.3%
- Training Fees for 2010: Fees for OH&S training to increase by about 4%. These fees are strongly influenced by market forces. Fees for traffic management training to increase by 20.2% to reflect new assessment processes imposed by Main Roads WA.
- The fee for WorkSafe Safety Awareness training, though increased by 7.4%, is still significantly less than for a standard half day course, largely due to competition in the marketplace.

#### **Recommendation(s)**

That the Draft Risk Management Consulting Rates and Training Course Fees forming attachment 1 of this report be used for the development of the 2009/2010 draft budget and be referred to member Councils for consideration during the development of their 2009/2010 budgets.

### **SOURCE OF REPORT**

Manager Risk Management Service

### **BACKGROUND**

Risk Management consulting rates and training course fees are reviewed on an annual basis as part of the preparation of the annual budget. Proposed rates are distributed to member Councils to assist in the preparation of member Council budgets.

### **REPORT**

The Risk Management Service consulting rates have been adjusted to take into account, the impact of inflation, market pressures and to ensure there is an adequate contribution to EMRC costs.

The consulting rate for Member councils and Regular Clients has been increased by 4.5% and 6.3% respectively. The rate for Occasional Clients has been increased by 8.3% to \$118.18 (ex GST) to bring it more in line with the general rates of comparable consulting organisations.

Overall, the consulting rates outlined in attachment 1 are similar or lower than the rates of comparable consulting operations.

The new fee for WorkSafe Construction Industry Safety Awareness training of \$79.09 (ex GST) per person, representing an increase of 7.4%, is still well below that for a standard half day training session. This fee is designed to be competitive within the prevailing marketplace.



*Item 9.4 continued*

It is proposed that the fees for Traffic Management courses, Basic Worksite Traffic Management and Traffic Controller be increased by 20.2% to cover the cost of applying more comprehensive assessment processes as imposed by Main Roads WA.

Note: not all Main Roads courses are currently offered due to the lack of availability of specialist Trainers.

The proposed consulting rates and training course fees will be used to develop the draft 2009/2010 budget and to assist member Councils to develop their budgets. There may be a need to revise these rates prior to adoption by the EMRC, as they need to respond to the pricing strategies of other Registered Training Organisations as well as the fluctuations in other revenue sources.

It should be noted that consulting fees are applicable for a financial year, whereas training course fees are applicable for a calendar year.

**STRATEGIC/POLICY IMPLICATIONS**

Adoption of the draft consulting rates for the preparation of the draft 2009/2010 budget will contribute toward the Key Result Area 4 Good Governance and specifically to 4.6 To continue to improve financial and asset management practices.

**FINANCIAL IMPLICATIONS**

The proposed rates will be used to develop detailed budgets for Risk Management Service consulting and training activities and a review of the Five Year Financial Plan.

**SUSTAINABILITY IMPLICATIONS**

Nil

**MEMBER COUNCIL IMPLICATIONS**

<b>Member Council</b>	<b>Implication Details</b>
Town of Bassendean	} As outlined in the report and attachment
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

ATTACHMENT(S)

Draft Risk Management Consulting Rates and Training Course Fees for 2009/2010 (Ref: Committees-8936)

VOTING REQUIREMENT

Simple Majority



*Item 9.4 continued*

### **RECOMMENDATION(S)**

That the Draft Risk Management Consulting Rates and Training Course Fees forming attachment 1 of this report be used for the development of the 2009/2010 draft budget and be referred to member Councils for consideration during the development of their 2009/2010 budgets.

Mr Stewart-Dawkins left the meeting at 3.48pm.

### **TAC RECOMMENDATION(S)**

MOVED MR LUTEY

SECONDED MR PEARSON

That the Draft Risk Management Consulting Rates and Training Course Fees forming attachment 1 of this report be used for the development of the 2009/2010 draft budget and be referred to member Councils for consideration during the development of their 2009/2010 budgets.

**CARRIED UNANIMOUSLY**

### **COUNCIL RESOLUTION(S)**

MOVED CR GODFREY

SECONDED CR LAVELL

THAT THE DRAFT RISK MANAGEMENT CONSULTING RATES AND TRAINING COURSE FEES FORMING ATTACHMENT 1 OF THIS REPORT BE USED FOR THE DEVELOPMENT OF THE 2009/2010 DRAFT BUDGET AND BE REFERRED TO MEMBER COUNCILS FOR CONSIDERATION DURING THE DEVELOPMENT OF THEIR 2009/2010 BUDGETS.

**CARRIED UNANIMOUSLY**

## Risk Management Consulting Rates and Training Course Fees 2009/2010

	Prior Years Actuals						Proposed	
	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	% Change
<b>Consulting Fees</b>								
Member Councils (Per Hour)	\$54.00	\$56.00	\$56.00	\$75.00	\$78.00	\$80.91	\$84.55	4.5%
WMRC (Per Hour)	\$86.00	\$88.00	\$88.00	\$90.00	\$92.00	\$95.45	\$107.27	12.4%
Other Organisations – Regular (Per Hour)	\$90.00	\$93.00	\$93.00	\$95.00	\$97.00	\$100.91	\$107.27	6.3%
Other Organisations – Occasional (Per Hour)	\$95.00	\$98.00	\$98.00	\$98.00	\$101.00	\$109.09	\$118.18	8.3%
Internal – EMRC (Per Hour)	\$86.00	\$88.00	\$88.00	\$88.00	\$90.00	\$94.00	\$97.76	4.0%
InterCouncil Comparison Scheme (Benchmarking process)				\$36.00 per mth		\$37.50 per mth	\$39 per mnth	4.0%
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>% Change</b>
<b>General Safety Training Course Fees</b>								
Half Day (Per Participant)	\$118.18	\$121.82	\$123.64	\$125.45	\$129.21	\$134.55	\$140.00	4.1%
One Day (Per Participant)	\$197.27	\$203.64	\$207.27	\$213.64	\$217.91	\$227.27	\$236.36	4.0%
Two Day (Per Participant)	\$331.82	\$340.91	\$345.45	\$354.55	\$365.19	\$380.00	\$395.45	4.1%
WorkSafe Safety Awareness Training - Construction Industry (Half day)					\$68.18	\$73.64	\$79.09	7.4%
<b>Traffic Management Training Course Fees</b>								
Basic Worksite Traffic Management	\$118.18	\$118.18	\$118.18	\$124.54	\$188.00	\$170.91	\$205.45	20.2%
Advanced Worksite Traffic Management	\$159.09	\$159.09	\$390.90	\$410.91	TBA	TBA	TBA	N/A
Traffic Controller	\$118.18	\$118.18	\$118.18	\$124.54	\$188.00	\$170.91	\$205.45	20.2%
Events Traffic Controller course					\$127.27	\$130.91	\$131.82	0.7%
InterCouncil Comparison Scheme (Benchmarking process)				\$36.00 per mth		\$37.50 per mth	\$39 per mth	4.0%

\* Notes: All Rates are exclusive of GST



## **9.5 TENDER 2008/28 - SUPPLY, INSTALLATION AND MAINTENANCE OF SITE DRAINAGE AND PREPARATORY WORKS FOR REVEGETATION**

**REFERENCE: COMMITTEES-8929**

### **PURPOSE OF REPORT**

To advise Council of the results of the tender for the Supply, Installation and Maintenance of Site Drainage and Preparatory works for Revegetation at the Red Hill Waste Management Facility and recommend acceptance of the tender from All Day Contracting.

### **KEY ISSUES AND RECOMMENDATION(S)**

- A tender for the supply, installation and maintenance of site drainage and preparatory works for revegetation was advertised in the West Australian newspaper on 19 November 2008.
- Tenders closed on 12 December 2008. Three submissions were received.
- The tender called for the preparation for revegetation works, site drainage works, flushing of the leachate system, minor concrete works, the construction of contour banks, the construction and maintenance of siltation ponds and other works that are reasonably within the capabilities of the contractor within the Red Hill Waste Management Facility.

#### **Recommendation(s)**

That:

1. Council award tender number 2008/28 to All Day Contracting for the period 27 February 2009 to 26 February 2012 in accordance with the table of charges in Attachment 1 to this report with an option of two single year extensions.
2. The contract rates be adjusted annually using the Consumer Price Index for Perth.

### **SOURCE OF REPORT**

Executive Manager, Waste Management Services

### **BACKGROUND**

The EMRC has ongoing requirements for a contractor to assist at the Red Hill Waste Management Facility in preparing for revegetation works, flush the leachate system, conduct minor concrete works, construct contour banks, construct and maintain siltation ponds and conduct other works of a similar nature. A tender has been developed for these requirements to assist in the planning and budgeting of site works.

### **REPORT**

Tender 2008/28 was advertised on 19 November 2008, and three submissions were received. Tenders were received from:

- Industrial Roadpavers (WA) Pty Ltd;
- Wolfe Civil Pty Ltd; and
- All Day Contracting.



*Item 9.5 continued*

Tenders were assessed based on the following assessment criteria:

<b>Criterion</b>	<b>Weighting</b>
Demonstrated experience in completing similar projects	20%
Experience working in similar conditions	40%
Tendered price	40%

The weightings adopted reflect the significant importance placed on contractors needing to understand how to work in rocky terrain, and similarly have strong experience within a landfill environment. The substantial weight placed on “experience working in similar conditions” reflects previous difficulties in working with contractors whose substantial experience is limited to the Swan Coastal Plain, and are unable to effectively transfer this experience to the rocky and clay rich environment at Red Hill.

All Day Contracting scored highly for the first two criteria, both of which were qualitative. This is because of the substantial experience of All Day Contracting in providing quality drainage work throughout the Hills region, including establishing the current drainage network at the Red Hill Waste Management Facility. Similarly, All Day Contracting has been instrumental in the establishment and refinement of methods for preparing landfill areas at the Red Hill Waste Management Facility for revegetation.

The tendered price was evaluated by comparing the sum of the hourly rates provided, a method possible because each tenderer provided rates for the same items:

- Backhoe
- Excavator
- Mini Excavator
- Front End Loader
- Supervisor
- Drainer
- Labourer

Each tenderer was scored based on a linear regression of the sum of hourly rates. This methodology led to All Day Contracting scoring the highest for the tendered price as they had the lowest sum of hourly rates.

Since All Day Contracting scored highest in both the qualitative and quantitative criteria, All Day Contracting is the preferred tenderer.

## **STRATEGIC/POLICY IMPLICATIONS**

The preparation for revegetation works, site drainage works, flushing of the leachate system, minor concrete works, the construction of contour banks and the construction and maintenance of siltation ponds are all required for the orderly operation of the Red Hill Waste Management Facility, and they all contribute to the objective to “provide sustainable waste disposal operations”.



Item 9.5 continued

## FINANCIAL IMPLICATIONS

The annual spend on the contract is anticipated to be in the order of \$120,000 (ex GST). This is comprised of:

<b>Works</b>	<b>Expenditure</b>
Preparation for revegetation works	\$20,000
Site drainage works	\$62,000
Flushing of the leachate system	\$2,000
Minor concrete works	\$5,000
Construction of contour banks	\$16,000
Construction and maintenance of siltation ponds	\$5,000
Other work as required	\$10,000
<b>TOTAL</b>	<b>\$120,000</b>

As the contract has a maximum potential period of five years (three years plus two single year extensions, each extension being subject to satisfactory performance under the contract), the total contract value is \$600,000 (ex GST). Annual CPI adjustments would be in addition to the estimated total contract value.

## SUSTAINABILITY IMPLICATIONS

The supply, installation and maintenance of site drainage and preparatory works for revegetation enables the EMRC to maintain a high level of environmental performance at the Red Hill Waste Management Facility. Using a contractor for this work enables the EMRC to have access to a range of plant and specialist skills for limited periods of time during the year, making the provision of the service more cost-effective than if the EMRC supplied it internally.

## MEMBER COUNCIL IMPLICATIONS

<b>Member Council</b>	<b>Implication Details</b>
Town of Bassendean	} Nil
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

## ATTACHMENT(S)

Tender 2008/28 – Supply, Installation and Maintenance of Site Drainage and Preparatory Works for Revegetation (Ref: [Committees-8955](#))

## VOTING REQUIREMENT

Simple Majority



*Item 9.5 continued*

## **RECOMMENDATION(S)**

That:

1. Council award tender number 2008/28 to All Day Contracting for the period 27 February 2009 to 26 February 2012 in accordance with the table of charges in Attachment 1 to this report with an option of two single year extensions.
2. The contract rates be adjusted annually using the Consumer Price Index for Perth

### Discussion ensued

Mr Lutey asked if the option for two single year extensions were at the sole discretion of the EMRC. The Executive Manager Waste Management Services confirmed this to be the case.

Mr Lutey also asked if the tender provided for CPI increases. The Executive Manager Waste Management Services confirmed that it did, and contains a formula by which the CPI increase is calculated annually using Perth Consumer Price Index data for the December quarter.

In response to Mr Lutey's query on whether the tender stated that the CPI increase was applied annually using the December quarter statistics the Executive Manager Waste Management Services confirmed that it did.

## **TAC RECOMMENDATION(S)**

MOVED MR LUTEY

SECONDED MR PEARSON

That:

1. Council award tender number 2008/28 to All Day Contracting for the period 27 February 2009 to 26 February 2012 in accordance with the table of charges in Attachment 1 to this report with an option of two single year extensions.
2. The contract rates be adjusted annually using the Consumer Price Index for Perth

**CARRIED UNANIMOUSLY**

## **COUNCIL RESOLUTION(S)**

MOVED CR GODFREY

SECONDED CR LAVELL

THAT:

1. COUNCIL AWARD TENDER NUMBER 2008/28 TO ALL DAY CONTRACTING FOR THE PERIOD 27 FEBRUARY 2009 TO 26 FEBRUARY 2012 IN ACCORDANCE WITH THE TABLE OF CHARGES IN ATTACHMENT 1 TO THIS REPORT WITH AN OPTION OF TWO SINGLE YEAR EXTENSIONS.
2. THE CONTRACT RATES BE ADJUSTED ANNUALLY USING THE CONSUMER PRICE INDEX FOR PERTH

**CARRIED UNANIMOUSLY**

**Table of Charges**

	<b>Hourly Rate (\$/hr)</b>
	<b>All Day Contracting</b>
Backhoe	90
Excavator	90
Mini Excavator	80
Front End Loader	95
Supervisor	58
Drainer	58
Labourer	48



## **9.6 WORKS FOR THE ENCAPSULATION OF CLASS V WASTE AT THE RED HILL WASTE MANAGEMENT FACILITY**

**REFERENCE: COMMITTEES-8932**

### **PURPOSE OF REPORT**

To advise Council of progress in relation to the encapsulation of Class V waste currently stored at the Red Hill Waste Management Facility and recommend award of encapsulation works to Entech Industries.

### **KEY ISSUES AND RECOMMENDATION(S)**

- The EMRC has 1400 bulka bags of Class V waste stored at the Red Hill Waste Management Facility
- Concrete encapsulation of the bags has proven to be financially unviable
- A quotation has been received from the international patent holder of micro-encapsulation technology. Laboratory testing of the process for the EMRC waste stream has demonstrated that it is effective, and the technology has been approved by the Department of Environment and Conservation.
- The quotation and process proposed is financially and environmentally sustainable. It is proposed to complete all micro-encapsulation works prior to the onset of wet weather.

#### **Recommendation(s)**

That Council:

1. Acknowledges that it has good reason to believe that because of the unique nature of the product for concrete encapsulation of Class V waste currently stored at Red Hill it is unlikely that there is any other supply apart from Entech Industries.
2. Approve the expenditure of \$498,179.75 (ex GST) for the micro-encapsulation of Class V waste at the Red Hill Waste Management Facility by Entech Industries.

### **SOURCE OF REPORT**

Executive Manager, Waste Management Services

### **BACKGROUND**

The EMRC has provided a service for the receipt and concrete encapsulation of Class V waste since 2001. The encapsulated waste is subsequently placed in the Class IV landfill.

In January 2006, the EMRC made a commitment to Wesfarmers that it would be able to receive a large consignment of Class V waste in "bulka bags" (similar in size to wool bales). At the time of making this commitment, airspace within the Class IV landfill was tight, but the waste was expected to be received within a few months.

However the waste did not start coming to Red Hill until January 2007. At this stage, Class IV Stage 1 was essentially closed, and Class IV Stage 2 was still under construction.

Given the commitment provided for the receipt of the waste, the EMRC did not defer acceptance of the waste, and instead made arrangements for the temporary storage of the waste pending final encapsulation and disposal.



*Item 9.6 continued*

A total of 1,400 bulka bags were received. Temporary storage was achieved through the construction of a lined and bunded storage area for the bags. This was designed to accept bags stacked two high, however that arrangement proved too dangerous, and so some bags were stored outside the bunded area. Bags within the bunded area were covered with a large plastic cover, and all other bags were covered with tarpaulins.

In December 2007, a tender was advertised for the bulk concrete encapsulation of the bulka bags in four large concrete bunkers. One conforming submission was received for the work, with a total contract value of \$980,000.00 (ex GST). Since the total income earned from the disposal of the waste was \$709,069.16, awarding the tender would have represented a loss to the EMRC of \$270,930.84.

At its meeting on 21 February 2008, Council resolved:

*“THAT COUNCIL REJECT ALL TENDER SUBMISSIONS FOR THE CONCRETE ENCAPSULATION OF BULKA BAGS.”*

The decision to reject all tender submissions was on the grounds that officers were not convinced that the contract represented the best value for money for the EMRC.

## **REPORT**

After the decision by Council to reject all tender submission, discussions were held with third parties to restructure the project and consultants were commissioned to investigate all options for concrete encapsulation. All concrete encapsulation options proved to be more expensive than the tender submission received for the bulk encapsulation.

A further option for “micro-encapsulation” of the waste was considered using a process patented by Dolomatrix International Limited. Entech Industries, a division of Dolomatrix International Limited, conducts micro-encapsulation work in Australia and tailors the process for each waste stream. In order to understand if the process would work, and how it might be undertaken, Entech Industries conducted laboratory scale testing of the encapsulation process on samples of the Class V waste collected from Red Hill. This testing indicated that process would be effective in encapsulating the waste, and approval has been obtained from the Department of Environment and Conservation (DEC) for the process proposed.

Since the technology to be used is Dolocrete®, and Entech is a division of Dolomatrix International Limited which owns the international patent rights to the Dolocrete® technology, there are no other providers of the Dolocrete® technology in Australia. As a result, the EMRC has “good reason to believe that, because of the unique nature of the goods or services required or for any other reason, it is unlikely that there is more than one potential supplier”, and under r.11(f) of the *Local Government (Functions and General) Regulations 1996*, tenders do not have to be publically invited.

A quotation has been received from Entech Industries for the encapsulation of all 1,400 bulka bags. The total cost of the works is \$498,179.75 (ex GST). The treatment includes a pilot trial at \$58,054.00 (ex GST), labour, plant and all materials for the treatment, but excludes transport of the treated material to the Class IV cell. Transport is expected to cost \$5,000.00. This option is the only option able to be identified which both meets DEC requirements and does not exceed the income earned.

Entech Industries proposes a pilot trial to understand processing requirements at full scale operations, and to ensure that all environmental impacts are mitigated. The trial has been commissioned and will be completed by late February 2009. In order to ensure that the encapsulation works are completed prior to the onset of wet weather, it is proposed to commence works immediately after the completion of the pilot trial.

## **STRATEGIC/POLICY IMPLICATIONS**

Micro-encapsulation of the Class V waste contributes to the objective “provide sustainable waste disposal operations.”

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*Item 9.6 continued*

## **FINANCIAL IMPLICATIONS**

In setting the budget, encapsulation works were envisaged to be conducted over two financial years, with a provision of \$464,699 in the 2008/09 financial year and a subsequent \$239,699 in the 2009/10 financial year. The total estimated cost is about \$40,000 more than budgeted for 2008/09, but over \$200,000 less than the provision for the entire job over the two financial years within which the project was budgeted to be completed. The budget overrun will be covered by a saving of \$90,000 to be achieved by deferring plans to construct a new administration building at Red Hill.

## **SUSTAINABILITY IMPLICATIONS**

The proposed micro-encapsulation enables the Class V waste on site to be treated for Class IV landfill in a manner that cost-effectively reduces its environmental risk.

## **MEMBER COUNCIL IMPLICATIONS**

<b>Member Council</b>	<b>Implication Details</b>
Town of Bassendean	} Nil
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

## **ATTACHMENT(S)**

Nil

## **VOTING REQUIREMENT**

Simple Majority

## **RECOMMENDATION(S)**

That Council:

1. Acknowledges that it has good reason to believe that because of the unique nature of the product for concrete encapsulation of Class V waste currently stored at Red Hill it is unlikely that there is any other supply apart from Entech Industries.
2. Approve the expenditure of \$498,179.75 (ex GST) for the micro-encapsulation of Class V waste at the Red Hill Waste Management Facility by Entech Industries.

## **Discussion ensued**

In answer to a member's query the Executive Manager Waste Management Services provided a description of the concrete encapsulation process.



*Item 9.6 continued*

**TAC RECOMMENDATION(S)**

MOVED MR LUTEY

SECONDED MR COTEN

That Council:

1. Acknowledges that it has good reason to believe that because of the unique nature of the product for concrete encapsulation of Class V waste currently stored at Red Hill it is unlikely that there is any other supply apart from Entech Industries.
2. Approve the expenditure of \$498,179.75 (ex GST) for the micro-encapsulation of Class V waste at the Red Hill Waste Management Facility by Entech Industries.

**CARRIED UNANIMOUSLY**

**COUNCIL RESOLUTION(S)**

MOVED CR GODFREY

SECONDED CR LAVELL

THAT COUNCIL:

1. ACKNOWLEDGES THAT IT HAS GOOD REASON TO BELIEVE THAT BECAUSE OF THE UNIQUE NATURE OF THE PRODUCT FOR CONCRETE ENCAPSULATION OF CLASS V WASTE CURRENTLY STORED AT RED HILL IT IS UNLIKELY THAT THERE IS ANY OTHER SUPPLY APART FROM ENTECH INDUSTRIES.
2. APPROVE THE EXPENDITURE OF \$498,179.75 (EX GST) FOR THE MICRO-ENCAPSULATION OF CLASS V WASTE AT THE RED HILL WASTE MANAGEMENT FACILITY BY ENTECH INDUSTRIES.

**CARRIED UNANIMOUSLY**



## 9.7 TENDER 2008/30 - PROVISION OF SURVEYING SERVICES

**REFERENCE: COMMITTEES-8928**

### PURPOSE OF REPORT

To advise Council of the results of the tender for the Provision of Surveying Services for all EMRC operated waste facilities and recommend acceptance of the tender from Crossland and Hardy Pty Ltd.

### KEY ISSUES AND RECOMMENDATION(S)

- A tender for the provision of surveying services was advertised in the West Australian newspaper on 19 November 2008.
- Tenders closed on 12 December 2008. Six submissions were received.
- The tender called for quarterly surveys of active landfilling areas, volume calculations of airspace remaining to fill, setting out and supply of "as-constructed" drawings for various site works, volume surveys of shredded green waste or wood waste at all EMRC operated sites and other survey work as requested.

#### Recommendation(s)

That:

1. Council award tender number 2008/30 to Crossland and Hardy Pty Ltd for the period 27 February 2009 to 26 February 2012 in accordance with the table of charges in Attachment 1 to this report with an option of two single year extensions.
2. The contract rates be adjusted annually using the Consumer Price Index for Perth.

### SOURCE OF REPORT

Executive Manager, Waste Management Services

### BACKGROUND

The EMRC has ongoing requirements for a contractor to understand landfill airspace consumption, develop "as-constructed" drawings and ascertain volumes of shredded green waste and wood waste at all EMRC operated waste facilities for contract management. A tender has been developed for these requirements to assist in budgeting.

### REPORT

Tender 2008/30 was advertised on 19 November 2008, and six submissions were received. Tenders were received from:

- Whelans (WA) Pty Ltd;
- Crossland & Hardy Pty Ltd;
- GHD Pty Ltd;
- McMullaen Nolan and Partners Surveyors Pty Ltd;
- Cardno Spectrum Survey; and
- Wolfe Civil Pty Ltd.



*Item 9.7 continued*

Tenders were assessed based on the following assessment criteria:

<b>Criterion</b>	<b>Weighting</b>
Demonstrated experience in completing similar projects	30%
Experience working on an active landfill site	30%
Tendered price	40%

Crossland and Hardy scored highest for the first two criteria, both of which were qualitative. This is because they have substantial experience, which led to a strong demonstrated understanding of the work involved in landfill airspace and stockpile surveys.

Rates for the following items were provided by each tenderer.

- Quarterly surveys of active landfilling areas at the Red Hill site (per quarter);
- Volume calculations of airspace remaining to fill (per quarter);
- Field Survey;
- Office Processing; and
- Drafting.

Each tenderer was scored based on a linear regression of the sum of the rates provided, resulting in Crossland and Hardy scoring the third highest for the tendered price.

Since Crossland and Hardy scored substantially better in the qualitative criteria, Crossland and Hardy is the preferred tenderer notwithstanding the fact that Crossland and Hardy is not the lowest price tenderer.

## **STRATEGIC/POLICY IMPLICATIONS**

The survey of remaining landfill airspace and development of “as-constructed” drawings enables the EMRC to plan landfill development with a higher degree of accuracy, contributing to the objective to “provide sustainable waste disposal operations”. Volume surveys of shredded green waste and wood waste are required for the management of shredding contracts, as contractors are paid based on the volume of material shredded, and contributes to the objective to “provide resource recovery and recycling solutions in partnership with member Councils”.



Item 9.7 continued

## FINANCIAL IMPLICATIONS

The annual spend on the contract is anticipated to be in the order of \$40,000 (ex GST). This is comprised of:

<b>Works</b>	<b>Expenditure</b>
Quarterly surveys of active landfilling areas at the Red Hill site	\$6,880
Volume calculations of Airspace remaining to fill	\$1,520
Field Survey	\$15,600
Office Processing	\$10,000
Drafting	\$6,000
<b>TOTAL</b>	<b>\$40,000</b>

As the contract has a maximum potential period of five years (three years plus two single year extensions, each extension being subject to satisfactory performance under the contract), the total contract value is \$200,000 (ex GST). CPI adjustments would be in addition to the estimated total contract value.

## SUSTAINABILITY IMPLICATIONS

The provision of accurate survey data enables the EMRC to properly plan waste management activities at the Red Hill Waste Management Facility, providing for a range of environmental benefits including the proper design of sedimentation dams and the provision of landfill capacity in a timely manner. Survey information is essential for the management of contracts for green waste and wood waste shredding, ensuring robust financial management.

## MEMBER COUNCIL IMPLICATIONS

<b>Member Council</b>	<b>Implication Details</b>
Town of Bassendean	} Nil
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

## ATTACHMENT(S)

Tender 2008/30 – Provision of Surveying Services (Ref: Committees-8963)

## VOTING REQUIREMENT

Simple Majority



*Item 9.7 continued*

## **RECOMMENDATION(S)**

That:

1. Council award tender number 2008/30 to Crossland and Hardy Pty Ltd for the period 27 February 2009 to 26 February 2012 in accordance with the table of charges in Attachment 1 to this report with an option of two single year extensions.
2. The contract rates be adjusted annually using the Consumer Price Index for Perth.

### Discussion ensued

Mr Lutey asked if the option for two single year extensions were at the sole discretion of the EMRC. The Executive Manager Waste Management Services confirmed this to be the case.

Mr Lutey also asked if the tender provided for CPI increases. The Executive Manager Waste Management Services confirmed that it did, and contains a formula by which the CPI increase is calculated annually using Perth Consumer Price Index data for the December quarter.

In response to Mr Lutey's query on whether the tender stated that the CPI increase was applied annually using the December quarter statistics the Executive Manager Waste Management Services confirmed that it did.

## **TAC RECOMMENDATION(S)**

MOVED MR PEARSON

SECONDED MR PURDY

That:

1. Council award tender number 2008/30 to Crossland and Hardy Pty Ltd for the period 27 February 2009 to 26 February 2012 in accordance with the table of charges in Attachment 1 to this report with an option of two single year extensions.
2. The contract rates be adjusted annually using the Consumer Price Index for Perth.

**CARRIED UNANIMOUSLY**

## **COUNCIL RESOLUTION(S)**

MOVED CR GODFREY

SECONDED CR LAVELL

THAT:

1. COUNCIL AWARD TENDER NUMBER 2008/30 TO CROSSLAND AND HARDY PTY LTD FOR THE PERIOD 27 FEBRUARY 2009 TO 26 FEBRUARY 2012 IN ACCORDANCE WITH THE TABLE OF CHARGES IN ATTACHMENT 1 TO THIS REPORT WITH AN OPTION OF TWO SINGLE YEAR EXTENSIONS.
2. THE CONTRACT RATES BE ADJUSTED ANNUALLY USING THE CONSUMER PRICE INDEX FOR PERTH.

**CARRIED UNANIMOUSLY**

**Table of Charges**

<b>Schedule Description</b>	<b>Unit</b>	<b>Unit Cost</b>
Quarterly surveys of active landfilling areas at the Red Hill site	Unit	\$1,720
Volume calculations of Airspace remaining to fill	Unit	\$380
Field Survey	Hr	\$165
Office Processing	Hr	\$100
Drafting	Hr	\$95

