

TECHNICAL ADVISORY COMMITTEE

MINUTES

8 May 2008

(REF: COMMITTEES-7894)

A meeting of the Technical Advisory Committee was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 8 May 2008**. The meeting commenced at **3.30pm**.

TABLE OF CONTENTS

1	DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS	1
2	ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED	1
3	DISCLOSURE OF INTERESTS	1
4	ANNOUNCEMENT BY THE CHAIRMAN OR PERSON PRESIDING WITHOUT DISCUSSION	1
5	CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS	2
5.1	<i>MINUTES OF THE TECHNICAL ADVISORY COMMITTEE MEETING HELD ON 10 April 2008 (Ref: Committees-7703)</i>	
6	PRESENTATIONS	2
7	ANNOUNCEMENT OF CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC	2
8	BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING	2
9	REPORTS OF OFFICERS	3
9.1	<i>TENDER 2008/3 - HIRE OF VARIOUS PLANT (Ref: Committees-7903)</i>	3
9.2	<i>TENDER 2008/14 – RESEARCH INTO CARBON REPORTING & ABATEMENT TRADING (Ref: Committees-7895)</i>	16
9.3	<i>2008/2009 SCHEDULE OF FEES & CHARGES FOR WASTE DISPOSAL AT RED HILL WASTE MANAGEMENT FACILITY (Ref: Committees-7943)</i>	32
9.4	<i>OPERATION OF SHIRE OF MUNDARING TRANSFER STATIONS (Ref: Committees-7950)</i>	41
9.5	<i>ENVIRONMENTAL SERVICES CONSULTING FEES 2008/2009 (Ref: Committees-7963)</i>	54
9.6	<i>RISK MANAGEMENT CONSULTING RATES & TRAINING COURSE FEES 2008/2009 (Ref: Committees-7964)</i>	59
9.7	<i>ITEMS CONTAINED IN THE INFORMATION BULLETIN (Ref: Committees-7901)</i>	63
10	CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC	64
11	GENERAL BUSINESS	64
12	FUTURE MEETINGS OF THE TECHNICAL ADVISORY COMMITTEE	64
13	DECLARATION OF CLOSURE OF MEETING	64



1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 3.35pm

2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

Committee Members

Mr Simon Stewart-Dawkins (From 3.41pm)	Director Operational Services	Town of Bassendean
Mr James Riley (From 3.50pm)	Manager Environmental Health	City of Bayswater
Mr Ric Lutey	Acting Chief Executive Officer	City of Belmont
Mr Mahesh Singh (Chairman)	Executive Manager, Engineering Services	Shire of Kalamunda
Mr Shane Purdy (Deputy Chairman)	Executive Manager, Infrastructure Services	Shire of Mundaring
Mr Jim Coten	Executive Manager, Operational and Development Services	City of Swan
Mr Gavin Watters	Chief Executive Officer	EMRC

EMRC Officers

Mr Adam Johnson	Executive Manager, Waste Management Services
Mr Mick McCarthy	Executive Manager, Regional Services
Mr Stephen Fitzpatrick	Manager, Project Development
Mr Peter Schneider	Executive Manager, Corporate Services
Ms Jo Eva	Administration Officer (Minutes)

EMRC Apologies

Mr Rob Medbury	Manager, Risk Management Service
Mr Brian Bushby	Manager Operations

Deputy Committee Members - Observers

Mr Adrian Dyson	Manager Health Services	Shire of Mundaring
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3 DISCLOSURE OF INTERESTS

Nil

4 ANNOUNCEMENT BY THE CHAIRMAN OR PERSON PRESIDING WITHOUT DISCUSSION

Nil



9 REPORTS OF OFFICERS

9.1 TENDER 2008/3 – HIRE OF VARIOUS PLANT

REFERENCE: COMMITTEES-7903

PURPOSE OF REPORT

To advise Council of the results of the Hire of Various Plant Tender and recommend a series of panels.

KEY ISSUES AND RECOMMENDATION(S)

- A tender for the hire of various plant was advertised in the West Australian newspaper on 1 March 2008.
- The tender provided for the hire of eighteen different pieces of plant, and is intended to be used to develop a series of panels for the provision of different pieces of plant for hire.
- A total of eight tender submissions were received.

Recommendation(s)

That Council award tender number 2008/3 on a panel basis to Cameron Holdings P/L, Joyce Earthmoving, Mase'z Diesel Services, Mayday Earthmoving, Nell Cartage P/L, Parkerville Cartage, Patty McGavock, and Titan Plant Hire for the period 1 June 2008 to 30 June 2010 in accordance with the table of charges in Attachment 1 to this report.

SOURCE OF REPORT

Executive Manager, Waste Management Services

BACKGROUND

The EMRC currently has panel contracts for the provision of a range of equipment. These contracts expire at the end of April, and new contracts are required to ensure that the EMRC can satisfactorily meet short term plant needs.

Contract 2008/3 was advertised in the West Australian on 1 March 2008 seeking prices for the wet and dry hire of a range of equipment.

REPORT

Plant is occasionally required at EMRC operated waste facilities on short notice, either to replace a broken down piece of equipment, to trial a new method of operation or to complete a short term project. In each of these cases, it is possible that the procurement threshold of \$100,000 (ex GST) might be exceeded, and so a tender is required under the Local Government Act.

To provide for operational flexibility, a panel tender is the typical means of ensuring that compliance requirements are met for the short term, short notice procurement of plant.

Tender 2008/3 was developed to provide for a large range of plant, seeking to provide for most contingencies. The tender allowed for operations at current EMRC operations (Red Hill Waste Management Facility, Hazelmere Timber Recycling Centre and Walliston Transfer Station) as well as potential operations for the Shire of Mundaring.



Item 9.1 continued

The panel will be used by first determining the plant required for the particular application, and then considering the tenderers offering that plant. Where more than one tenderer offers the same type of plant, then the tenderers will be approached based on the rankings established by applying the evaluation criteria.

The list of tenderers will be worked through until a tenderer is available, and the plant hired at the rate in Attachment 1. Where no tenderer on the panel is available, quotations will be sought from other contractors.

The lists were developed by applying the tender assessment criteria to the submissions for each plant type. The tender assessment criteria were:

- Demonstrated experience in providing similar services 15%
- Skills and experience of personnel to be used on this project 15%
- Tendered price 70%

STRATEGIC/POLICY IMPLICATIONS

Obtaining tender submissions for the provision of various plant enables the EMRC financial viability to be improved.

FINANCIAL IMPLICATIONS

The financial implications will depend upon the extent to which the EMRC needs to use hire plant. This, in turn, is entirely dependant upon machinery break-downs and new projects

As an indication of the potential implications, \$580,000 was spent on the hire of plant in the current financial year to the end of February 2008. Almost half of this was a result of the poor reliability of the Liebherr track loaders and late delivery of the new Caterpillar 973C track loader, and is unlikely to be required in future financial years.

SUSTAINABILITY IMPLICATIONS

Nil

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

Various plant tender schedule of rates (Ref: Committees-7932)

VOTING REQUIREMENT



Simple Majority

Item 9.1 continued

RECOMMENDATION(S)

That Council award tender number 2008/3 on a panel basis to Cameron Holdings P/L, Joyce Earthmoving, Mase'z Diesel Services, Mayday Earthmoving, Nell Cartage P/L, Parkerville Cartage, Patty McGavock, and Titan Plant Hire for the period 1 June 2008 to 30 June 2010 in accordance with the table of charges in Attachment 1 to this report.

TAC RECOMMENDATION(S)

MOVED MR LUTEY

SECONDED MR COTEN

That Council award tender number 2008/3 on a panel basis to Cameron Holdings P/L, Joyce Earthmoving, Mase'z Diesel Services, Mayday Earthmoving, Nell Cartage P/L, Parkerville Cartage, Patty McGavock, and Titan Plant Hire for the period 1 June 2008 to 30 June 2010 in accordance with the table of charges in Attachment 1 to this report.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR

SECONDED CR

PRICE SCHEDULE – EXCAVATOR

Machine Description	Wet/Dry	Tenderer	Rank	Mob/Demob	Price (ex GST)	GST Component	Price (inc GST)
13 tonne Hitachi ZX130	Wet	Joyce Earth Moving	1	\$165.00	\$95.00/hr	\$9.50	\$114.50/hr
20 tonne	Wet	Mayday Earth Moving	1	\$375.00 (each way)	\$120.00/hr	\$12.00	\$132.00/hr
23 tonne Hitachi ZX 230	Wet	Joyce Earth Moving	1	\$200.00	\$110.00/hr	\$11.00	\$121.00/hr
22 tonne	Wet	Nell Cartage	2	\$750.00	\$150.00/hr	\$15.00	\$165.00/hr
25 tonne	Wet	Mayday Earth Moving	1	\$400.00 each way	\$135.00/hr	\$13.50	\$148.50/hr
25 tonne CAT 325 B	Wet	Cameron Holdings	2	\$900.00	\$160.00/hr	\$16.00	\$176.00/hr
25 tonne CAT 325 B with grab	Wet	Cameron Holdings	1	\$900.00	\$170.00/hr	\$17.00	\$187.00/hr
30 tonne	Wet	Mayday Earth Moving	1	\$450.00 each way	\$140.00/hr	\$14.00	\$154.00/hr
35 tonne	Wet	Mayday Earth Moving	1	\$500.00 each way	\$150.00/hr	\$15.00	\$165.00/hr
35 tonne CAT 330 DL	Wet	Cameron Holdings	2	\$1500.00	\$190.00/hr	\$19.00	\$209.00/hr
35 tonne CAT 330 DL with stump shears	Wet	Cameron Holdings	1	\$1500.00	\$215.00/hr	\$21.50	\$236.00/hr
45 tonne	Wet	Mayday Earth Moving	1	\$650.00 each way	\$175.00/hr	\$17.50	\$192.50/hr

Machine Description	Wet/Dry	Tenderer	Rank	Mob/Demob	Price (ex GST)	GST Component	Price (inc GST)
14 tonne	Dry	Titan Plant Hire	1	\$110.00/hr	\$45.00/hr (=\$360.00/day)	\$4.50 (=\$36.00/day)	\$49.50/hr (=\$396.00/day)
13 tonne Hitachi ZX130	Dry	Joyce Earth Moving	2	\$165.00	\$50.00/hr (=\$400.00/day)	\$5.00 (=\$40.00/day)	\$55.00/hr (=\$440.00/day)
21 tonne	Dry	Titan Plant Hire	1	\$110.00/hr	\$55.00/hr (=\$440.00/day)	\$5.50 (=\$44.00/day)	\$60.50/hr (=\$484.00/day)
20 tonne	Dry	Mayday Earth Moving	2	\$375.00 each way	\$500.00/day	\$50.00	\$550.00/day
23 tonne Hitachi ZX 230	Dry	Joyce Earth Moving	1	\$200.00	\$60.00/hr (=\$480.00/day)	\$6.00 (=\$48.00/day)	\$66.00/hr (=\$528.00/day)
25 tonne	Dry	Mayday Earth Moving	1	\$400.00 each way	\$550.00/day	\$55.00	\$605.00/day
29 tonne	Dry	Titan Plant Hire	1	\$110.00/hr	\$72.00/hr (=\$576.00/day)	\$7.20 (=\$57.60/day)	\$79.20/hr (=\$633.60/day)
30 tonne	Dry	Mayday Earth Moving	2	\$450.00 each way	\$600.00/day	\$60.00	\$660.00/day
35 tonne	Dry	Mayday Earth Moving	1	\$500.00 each way	\$700.00/day	\$70.00	\$770.00/day
46 tonne	Dry	Titan Plant Hire	1	\$130.00/hr	\$105.00/hr (=\$840.00/day)	\$10.50 (=\$84.00/day)	\$115.50/hr (=\$924.00/day)
45 tonne	Dry	Mayday Earth Moving	2	\$650.00 each way	\$850.00/day	\$85.00	\$935.00/day

PRICE SCHEDULE – WHEEL LOADER

Machine Description	Wet/Dry	Tenderer	Rank	Mob/Demob	Price (ex GST)	GST Component	Price (inc GST)
11.5 tonne	Wet	Joyce Earth Moving	1	\$120.00	\$100.00/hr	\$10.00	\$110.00/hr
12 tonne	Wet	Mayday Earth Moving	2	\$375.00 each way	\$115.00/hr	\$11.50	\$126.50/hr
11 tonne SDG Ranger 938 with 3.0 m ³ bucket	Wet	Nell Cartage	3	\$150.00	\$140.00/hr	\$14.00	\$154.00/hr
13.5 tonne	Wet	Mayday Earth Moving	1	\$425.00 each way	\$125.00/hr	\$12.50	\$137.50 /hr
18.5 tonne	Wet	Mayday Earth Moving	1	\$450.00 each way	\$135.00/hr	\$13.50	\$148.50/hr
19.5 tonne	Wet	Cameron Holdings	2	\$900.00	\$160.00/hr	\$16.00	\$176 .00/hr
23.5 tonne	Wet	Cameron Holdings	1	\$900.00	\$160.00/hr	\$16.00	\$176.00/hr
31.5 tonne	Wet	Mayday Earth Moving	1	\$700.00 each way	\$185.00/hr	\$18.50	\$203.50/hr
11 tonne SDG Ranger 938 with 1.8 m ³ bucket	Dry	Nell Cartage	1	\$150.00	\$400.00/day	\$40.00	\$440.00/day
12 tonne	Dry	Mayday Earth Moving	2	\$375.00 each way	\$400.00/day	\$40.00	\$440.00/day
11 tonne SDG Ranger 938 with 1.8 m ³ bucket	Dry	Cameron Holdings	3	\$800.00	\$400.00/day min 5 days	\$40.00	\$440.00/day
12 tonne	Dry	Titan Plant hire	4	\$110.00/hr	\$53.00/hr (=\$424.00/day)	\$5.30 (=\$42.40/day)	\$58.30/hr (=\$466.40/day)

Machine Description	Wet/Dry	Tenderer	Rank	Mob/Demob	Price (ex GST)	GST Component	Price (inc GST)
13.5 tonne	Dry	Titan Plant hire	1	\$110.00/hr	\$59.00/hr (=\$472.00/day)	\$5.90 (=\$47.20/day)	\$64.90/hr (=\$519.20/day)
13.5 tonne	Dry	Mayday Earth Moving	2	\$425.00 each way	\$500.00/day	\$50.00	\$550.00/day
18.5 tonne	Dry	Titan Plant hire	1	\$110.00/hr	\$62.00/hr (=\$496.00/day)	\$6.20 (=\$49.60/day)	\$68.20/hr (=\$545.60/day)
18.5 tonne	Dry	Mayday Earth Moving	2	\$450.00 each way	\$650.00/day	\$65.00	\$715 00/day
19.5 tonne	Dry	Titan Plant hire	1	\$110.00/hr	\$65.00/hr (=\$520.00/day)	\$6.50 (=\$52.00/day)	\$71.50/hr (=\$572.00/day)
23.5 tonne	Dry	Titan Plant hire	1	\$110.00/hr	\$72.00/hr (=\$576.00/day)	\$7.20 (=\$57.60/day)	\$79.20/hr (=\$633.60/day)
31.5 tonne	Dry	Mayday Earth Moving	1	\$700.00 each way	\$1000.00/day	\$100.00	\$1100.00/day

PRICE SCHEDULE – ARTICULATED DUMP TRUCK

Machine Description	Wet/Dry	Tenderer	Rank	Mob/Demob	Price (ex GST)	GST Component	Price (inc GST)
35 tonne CAT 350 E	Wet	Mayday Earth Moving	1	\$750.00 each way	\$165.00/hr	\$16.50	\$181.50/hr
27 tonne Komatsu HM300	Dry	Cameron Holdings	1	\$600 00 each way	\$100.00/hr (=\$800.00/day)	\$10.00 (=\$80.00/day)	\$110.00/hr (=\$880.00/day)
35 tonne CAT 350 E	Dry	Mayday Earth Moving	1	\$750 00 each way	\$950.00/day	\$95.00	\$1045.00/day
40 tonne	Dry	Titan Plant hire	1	\$130.00/hr	\$105.00/hr (=\$840.00/day)	\$10.50 (=\$84.00/day)	\$115.50/hr (=\$924.00/day)

PRICE SCHEDULE – TIP TRUCK

Machine Description	Wet/Dry	Tenderer	Rank	Mob/Demob	Price (ex GST)	GST Component	Price (inc GST)
Rigid tipper 6 Wheel	Wet	Mayday Earth Moving	1	\$75.00 each way	\$75.00/hr	\$7.50	\$82.50/hr
Rigid tipper Volvo/Mitsubishi	Wet	Mase'z Diesel Services	2	Nil	\$80.00/hr	\$8.00	\$88.00/hr
Rigid tipper Oshkosh	Wet	Nell Cartage	3	\$80.00	\$80.00/hr	\$8.00	\$88.00/hr
Rigid tipper Mitsubishi/Volvo	Wet	Parkerville Cartage	4		\$85.00/hr	\$8.50	\$93.50/hr
Rigid tipper 8 Wheel	Wet	Mayday Earth Moving	5	\$85.00 each way	\$85.00/hr	\$8.50	\$93.50/hr
Rigid tipper Mitsubishi/Volvo/ Oshkosh	Wet	Cameron Holdings	6	\$90.00/hr	\$90.00/hr	\$9.00	\$99.00/hr
Semi-tipper Volvo	Wet	Nell Cartage	1	\$100.00	\$100.00/hr	\$10.00	\$110.00/hr
Semi-tipper Volvo	Wet	Cameron Holdings	2	\$115.00	\$115.00/hr	\$11.50	\$126.50/hr
Semi tipper Tri-axle	Wet	Mayday Earth Moving	3	\$115.00 each way	\$115.00/hr	\$11.50	\$126.50/hr
Semi-tipper	Wet	Parkerville Cartage	4	Nil (min 4hr)	\$120.00/hr	\$12.00	\$132.00/hr
Rigid tipper 11 m ³	Dry	Titan Plant Hire	1	\$110.00/hr	\$50.00/hr (=\$400.00/day)	\$5.00 (=\$40.00/day)	\$55.00/hr (=\$440.00/day)
Semi Tipper Bogey	Dry	Mayday Earth Moving	1	\$110.00 each way	\$110.00/hr (=\$880.00/day)	\$11.00 (=\$88.00/day)	\$121.00/hr (=\$968.00/day)

PRICE SCHEDULE – WATER TRUCK

Machine Description	Wet/Dry	Tenderer	Rank	Mob/Demob	Price (ex GST)	GST Component	Price (inc GST)
Highway water truck International 15,000 L	Wet	Patrick McGavock	1	Nil	\$80.00/hr	\$8.00	\$88.00/hr
Highway water truck	Wet	Parkerville Cartage	2		\$80.00/hr	\$8.00	\$88.00/hr
Highway water truck ACCO 15,000 L	Wet	Mase'z Deisel Services	3	Nil	\$85.00/hr	\$8.50	\$93.50/hr
Highway water truck Oshkosh 15,000 L	Wet	Cameron Holdings	4	\$90.00	\$90.00/hr	\$9.00	\$99.00/hr
Highway water truck International 15,000 L	Wet	Cameron Holdings	5	\$100.00	\$90.00/hr	\$9.00	\$99.00/hr
4000 GLN Truck 8 Wheel Water Cart	Wet	Mayday Earth Moving	6	\$90.00 each way	\$90.00/hr	\$9.00	\$99.00/hr
3800 GLN Dump Truck and Tank	Wet	Mayday Earth Moving	7	\$450.00 each way	\$135.00/hr	\$13.50	\$148.50/hr
Highway water truck 14,000L Hwy 6 wheeler	Dry	Titan Plant Hire	1	\$110.00/hr	\$50.00/hr (=\$400.00/day)	\$5.00 (=\$40.00/day)	\$55.00/hr (=\$440.00/day)
Highway water truck Oshkosh 15,000 L	Dry	Cameron Holdings	2	\$100.00	\$450.00/day	\$45.00	\$495.00/day
3800 GLN Dump Truck and Tank	Dry	Mayday Earth Moving	3	\$450.00 each way	\$550.00/day	\$55.00	\$605.00/day
Highway water truck 18,000L Hwy 8 wheeler	Dry	Titan Plant Hire	1	\$110.00/hr	\$60.00/hr (=\$480.00/day)	\$6.00 (=\$48.00/day)	\$66.00/hr (=\$528.00/day)
Highway water truck 28,000 L semi tanker	Dry	Titan Plant Hire	1	N/A	\$75.00/hr (=\$600.00/day)	\$7.50 (=\$60.00/day)	\$82.50/hr (=\$660.00/day)

Machine Description	Wet/Dry	Tenderer	Rank	Mob/Demob	Price (ex GST)	GST Component	Price (inc GST)
Off-road water truck Hitachi 40 tonne	Wet	Cameron Holdings	1	\$1100.00	\$240.00/hr	\$24.00	\$264.00/hr
Off-road water truck 33,000 L articulated	Dry	Titan Plant Hire	1	\$130.00/hr	\$110.00/hr (=\$880.00/day)	\$11.00 (=\$88.00/day)	\$121.50/hr (=\$972.00/day)

PRICE SCHEDULE – HOOK LIFT TRUCK

Machine Description	Wet/Dry	Tenderer	Rank	Mob/Demob	Price (ex GST)	GST Component	Price (inc GST)
Hook lift truck	Wet	Parkerville Cartage	1		\$110.00/hr	\$11.00	\$121.00/hr
Hook lift truck Freight Liner FL 80	Dry	Nell Cartage	1	\$70.00	\$70.00/hr (=\$560.00/day)	\$7.00 (=\$56.00/day)	\$77.00/hr (=\$616.00/day)
Hook lift truck Freight Liner FL 80	Dry	Cameron Holdings	2	\$80.00	\$80.00/hr (=\$640.00/day)	\$8.00 (=\$64.00/day)	\$88.00/hr (=\$704.00/day)

PRICE SCHEDULE - DOZER

Machine Description	Wet/Dry	Tenderer	Rank	Mob/Demob	Price (ex GST)	GST Component	Price (inc GST)
CAT D9L	Wet	Cameron holdings	1	\$4400.00	\$340.00/hr	\$34.00	\$374.00/hr
CAT D10N	Wet	Cameron holdings	1	\$4400.00	\$360.00/hr	\$36.00	\$396.00/hr

PRICE SCHEDULE – TRACK LOADER

Machine Description	Wet/Dry	Tenderer	Rank	Mob/Demob	Price (ex GST)	GST Component	Price (inc GST)
CAT953	Wet	Mayday Earth Moving	1	\$450 00 each way	\$140.00/hr	\$14.00	\$154.00/hr
CAT953C	Wet	Cameron Holdings	2	\$1000.00	\$205.00/hr	\$20.50	\$225.50/hr
CAT963	Wet	Mayday Earth Moving	1	\$550 00 each way	\$165.00/hr	\$16.50	\$181.50/hr
CAT963C	Wet	Cameron Holdings	2	\$1000.00	\$220.00/hr	\$22.00	\$242.00/hr
CAT973	Wet	Mayday Earth Moving	1	\$650 00 each way	\$185.00/hr	\$18.50	\$203.50/hr
CAT973C	Wet	Cameron Holdings	2	\$1100.00	\$245.00/hr	\$24.50	\$269.50/hr
CAT953	Dry	Mayday Earth Moving	1	\$450 00 each way	\$500.00/day	\$50.00	\$550.00/day
CAT963	Dry	Mayday Earth Moving	1	\$550 00 each way	\$650.00/day	\$65.00	\$715.00/day
CAT973	Dry	Mayday Earth Moving	1	\$650 00 each way	\$850.00/day	\$85.00	\$935.00/day

PRICE SCHEDULE – MOTOR GRADER

Machine Description	Wet/Dry	Tenderer	Rank	Mob/Demob	Price (ex GST)	GST Component	Price (inc GST)
CAT 12H Grader	Wet	Mayday Earth Moving	1	\$350 00 each way	\$115.00/hr	\$11.50	\$126.50 /hr
Motor grader	Wet	Cameron Holdings	2	\$850.00	\$160.00/hr	\$16.00	\$176.00/hr
120G Grader	Dry	Titan Plant Hire	1	\$110.00/hr	\$40.00/hr (=\$320.00/day)	\$4.00 (=\$32.00/day)	\$44.00/hr (=\$352.00/day)
CAT 12H Grader	Dry	Mayday Earth Moving	2	\$350 00 each way	\$425.00/day	\$42.50	\$467.50/day

PRICE SCHEDULE – SKID STEER LOADER

Machine Description	Wet/Dry	Tenderer	Rank	Mob/Demob	Price (ex GST)	GST Component	Price (inc GST)
Toyota/ Mustang /Dase	Wet	Mayday Earth Moving	1	\$65 00 each way	\$65.00/hr	\$6.50	\$72.50/hr
Skid Steer Loader	Wet	Parkerville Cartage	2	Min 4hr	\$80.00/hr	\$8.00	\$88.00/hr
S150 Bobcat (703kg)	Dry	Titan Plant Hire	1	\$100.00/hr	\$25.00/hr (=\$200.00/day)	\$2.50 (=\$20.00/day)	\$27.50/hr (=\$220.00/day)
Komatsu SK714	Dry	Cameron Holdings	2	\$300.00	\$245.00/day	\$24.50	\$269.50/day
Toyota/ Mustang /Dase	Dry	Mayday Earth Moving	3	\$200 00 each way	\$275.00/day	\$27.50	\$302.50/day

PRICE SCHEDULE – BACKHOE LOADER

Machine Description	Wet/Dry	Tenderer	Rank	Stand-by	Mob/Demob	Price (ex GST)	GST Component	Price (inc GST)
JCB 3cx	Wet	Mayday Earth Moving	1	5%	\$85.00 each way	\$85.00/hr	\$8.50	\$93.50/hr
JCB 3cx	Wet	Mase'z Diesel Services	2	\$275.00	\$200.00	\$90.00/hr	\$9.00	\$99.00/hr
JCB 3cx	Wet	Parkerville Cartage	3	\$275.00	\$200.00	\$90.00/hr	\$9.00	\$99.00/hr
JCB 3cx	Wet	Cameron holdings	4	\$300.00/day	\$500.00	\$100.00/hr	\$10.00	\$110.00/hr
JCB 3cx	Dry	Mase'z Diesel Services	1	\$66.00/day	\$200.00	\$55.00/hr (=\$250.00/day)	\$5.50 (=\$44.00/day)	\$60.50/hr (=\$275.00/day)
JCB 3cx	Dry	Parkerville Cartage	2	\$65.00/day	\$200.00	\$55.00/hr (=\$260.00/day)	\$5.50 (=\$44.00/day)	\$60.50/hr (=\$286.00/day)
JCB 3cx	Dry	Cameron holdings	3	\$160.00/day	\$500.00	\$350.00/day	\$35.00	\$385.00/day
JCB 3cx	Dry	Mayday Earth Moving	4	5%	\$250.00 each way	\$375.00/day	\$37.50	\$412.50/day

PRICE SCHEDULE – TELESCOPIC HANDLER

Machine Description	Wet/Dry	Tenderer	Rank	Mob/Demob	Price (ex GST)	GST Component	Price (inc GST)
Genie GTH 3007 Telehandler	Dry	Titan Plant Hire	1	\$100.00/hr	\$32.50/hr (=\$260.00/day)	\$3.25 (=\$26.00/day)	\$35.75/hr (=\$286.00/day)



9.2 TENDER 2008/14 – RESEARCH INTO CARBON REPORTING & ABATEMENT TRADING

REFERENCE: COMMITTEES-7895

PURPOSE OF REPORT

To advise Council of the outcomes of a tender for research into carbon reporting and abatement trading and update Council on recent work conducted in the field of climate change.

KEY ISSUES AND RECOMMENDATION(S)

- Climate change mitigation and adaption is emerging as one the EMRC's major new focus areas, both in terms of its impacts on EMRC and member Council operations, and opportunities to respond constructively.
- The development of policy in relation to climate change is developing rapidly, and new obligations and opportunities are regularly appearing.
- In order to better understand the policy framework, and to assist in the development of a submission to the Australian Greenhouse Office for the approval of the Hazelmere Timber Recycling Centre as an accredited abatement provider, a tender for research into carbon reporting and abatement trading was advertised in the West Australian newspaper on 5 April 2008.
- Tenders closed on 22 April 2008. A total of six tender submissions were received.
- A shortlist of two tenderers has been prepared, and the shortlisted tenderers will be interviewed.

TAC Resolution(s)

A final report on the tender be prepared and presented to Council for adoption following the completion of the interviews and evaluation process.

TAC Recommendation(s)

That the Committee and Council note the work currently underway by the EMRC in the field of climate change.

SOURCE OF REPORT

Executive Manager, Waste Management Services

BACKGROUND

At its meeting on 30 August 2007, Council resolved that:

1. *APPLICATION BE MADE TO THE AUSTRALIAN GREENHOUSE OFFICE FOR APPROVAL AS AN ACCREDITED ABATEMENT PROVIDER.*
2. *THE DEVELOPMENT OF HAZELMERE TIMBER AND MATTRESS RECYCLING CENTRE CONTINUE DURING THE APPLICATION PROCESS TO MEET INDUSTRY DEMAND.*

Council has considered the impacts of climate change in other aspects of EMRC and member Council business at a number of occasions, including a resolution supporting a project "Future Proofing Perth's Eastern Region – Adapting to Climate Change" project on 21 February 2008, and broad support at the Strategic Planning Day on 8 March 2008 for Climate Change as a new focus area for the EMRC.



Item 9.2 continued

REPORT

Discussions surrounding climate change gained momentum in the lead up to the 2007 Federal election. A new piece of Commonwealth legislation, the National Greenhouse and Energy Reporting System, was introduced by the former Howard government to take effect from 1 July 2008, and reviews were conducted around the scope of a potential emissions trading scheme. The EMRC provided comment on the Waste Management Technical Guidelines supporting the National Greenhouse and Energy Reporting System (Attachment 1)

Since the election of the Rudd Government, policy making around climate change has accelerated considerably. The Rudd Government has ratified the Kyoto Protocol, and given its full support to a review of climate change in the Australian context being conducted by Ross Garnaut.

The Government has signalled that it will establish an Australian Emissions Trading Scheme to commence in 2010. Considerable policy work is underway to develop this scheme, including debate around whether or not waste (specifically methane emissions from landfill) will be included in the emissions trading scheme. The Executive Manager, Waste Management Services has taken part in developing a submission from the Waste Management Association of Australia National Carbon Committee to the Garnaut Review in relation to the proposed Emissions Trading Scheme. The submission is included as Attachment 2.

An emissions trading scheme could lead to new costs for the Red Hill Waste Management Facility operations for the acquisition of emission permits. Depending on the value of permits and the extent of methane collection at landfill, permit costs may range from an additional one to ten million dollars per year. These additional costs can be minimised by establishing improved landfill gas capture systems, as well as developing systems and technologies to divert waste from landfill. Thus, unlike landfill levies, emissions permits represent a number of opportunities as well as costs.

One such opportunity may be the Hazelmere Timber Recycling Centre. The Centre diverts timber from landfill that would otherwise decompose to produce methane, and thus may be able to offset emission permits required elsewhere. The exact nature of the emissions benefits from the Centre is in a state of flux due to developments in the climate change policy area.

In order to keep abreast of the climate change policy developments, as well as to assist in the development of abatement credits from the Hazelmere Timber Recycling Centre, a tender for a 12 month consultancy has been developed. Under the tender, the consultant is to provide regular updates on development in climate change policy, including a synopsis of significant policy documents. Information gained from the consultancy will be shared with member Councils where appropriate.

The consultant is to also investigate components of the EMRC business that may be subject to abatement credits, and undertake the process of accrediting these activities as abatement providers. These components include the Red Hill Waste Management Facility, the Resource Recovery Facility and relevant new components of the Resource Recovery Park. As these projects are not currently well defined, a lump sum cost estimate was not sought for these projects as part of the tender. Furthermore, much of the work required to accredit new facilities will be completed in investigating the accreditation of the Hazelmere Timber Recycling Centre, so accrediting new operations is likely to incur less cost.

The tender was advertised on 5 April 2008, and six submissions were received. Tenders were assessed based on the following assessment criteria:



Item 9.2 continued

Criterion	Weighting
Demonstrated experience in carbon emission reporting and trading policy and schemes – overseas and within Australia	30%
Demonstrated experience and knowledge of the waste management industry, and in particular landfill operations	10%
Understanding of local, state and federal government policy, practices and operations	30%
Ability to conduct environmental monitoring, interpretation of scientific analysis and technical report writing	10%
Tendered price	20%

Based on these assessment criteria, a shortlist of two tenderers was developed. The shortlisted tenderers are Energetics Pty Ltd and Encycle Consulting. The shortlisted tenderers will be interviewed and references contacted to determine the preferred tenderer.

Whilst the current lump sum scope of work is for less than the \$150,000 threshold at which Council must award the contract, there is scope within the contract for the consultant to establish other EMRC operations as accredited abatement providers. This may include the Resource Recovery Facility and Resource Recovery Park. In the event that the consultant is requested to undertake this work, the total contract value may exceed \$150,000. As a result, a report will go to Council at its 22 May 2008 meeting for the award of the contract. As the tenderer interviews will be held on 9 May 2008 and 13 May 2008, this report will not be able to tabled at the Technical Advisory Committee on 8 May 2008.

The EMRC has also established a project officer position in preparation for the implementation of greenhouse reporting and trading. Recruitment is currently underway to fill this position, with the position to initially be part time only, and run for a three month period. The project officer will establish the necessary systems to collect greenhouse data from 1 July 2008.

STRATEGIC/POLICY IMPLICATIONS

The investigation into carbon reporting and abatement trading is expected to further 'reduce the environmental impact of waste management' and 'improve EMRC and member Council financial viability'. It would also be consistent with the proposed new business area of "Climate Change" identified at the recent strategic planning sessions.

FINANCIAL IMPLICATIONS

The anticipated expenditure on the consultancy is up to \$75,000. Additional expenditure may be incurred in the establishment of other EMRC operations as accredited abatement providers. A cost estimate will be sought from the consultant prior to undertaking additional work, and may exceed \$75,000 for all additional projects.

The expenditure to employ a project officer is anticipated to be \$10,000.

SUSTAINABILITY IMPLICATIONS

Climate change has the potential to have substantial social, environmental and financial impacts on the EMRC and its member Councils. By understanding the obligations on the EMRC and its member Councils, as well as positioning the business to capitalise on opportunities flowing from carbon trading, the sustainability impacts may be minimised.



Item 9.2 continued

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

1. EMRC Submission to Commonwealth Department of Climate Change on the Waste Management Technical Guidelines supporting the National Greenhouse and Energy Reporting System
(Ref: Committees-7953)
2. Waste Management Association of Australia, National Carbon Committee submission to the Garnaut Review of an Australian Emissions Trading Scheme (Ref: Committees-7954)

VOTING REQUIREMENT

Simple Majority

TAC RESOLUTION(S)

MOVED MR LUTEY

SECONDED MR PURDY

That a final report on the tender be prepared and presented to Council for adoption following the completion of the interviews and evaluation process.

CARRIED UNANIMOUSLY

Discussion ensued

Mr Lutey asked the Chairman why there was a resolution and a recommendation instead of one recommendation in two parts. The Executive Manager, Waste Management Services replied that due to the interviews not being completed, TAC cannot recommend the award of the contract, but can instead only resolve that the final report be prepared. The interviews will be completed before the item goes to Council.

The Executive Manager, Waste Management Services summarised the report.

The Chairman asked if the \$150,000 threshold for contracts is part of EMRC policy or Local Government Act. The Chief Executive Officer replied it was his delegated authority limit.

TAC RECOMMENDATION(S)

MOVED MR LUTEY

SECONDED MR PURDY

That the Committee and Council note the work currently underway by the EMRC in the field of climate change.

CARRIED UNANIMOUSLY



Item 9.2 continued

COUNCIL RESOLUTION(S)

MOVED CR LAVELL SECONDED CR ALBERT

THAT THE COMMITTEE AND COUNCIL NOTE THE WORK CURRENTLY UNDERWAY BY THE EMRC
IN THE FIELD OF CLIMATE CHANGE.

CARRIED UNANIMOUSLY



Eastern Metropolitan Regional Council
 1st Floor Ascot Place, 226 Great Eastern Hwy,
 Belmont, Western Australia 6104
 PO Box 234 Belmont Western Australia 6984

INTEROFFICE MEMORANDUM
 OUR REF: EMRC-75471

TO Department of Climate Change
CC
FROM Adam Johnson, Executive Manager Waste Management Services EMRC
DATE 19 February 2007
SUBJECT **COMMENTS ON TECHNICAL GUIDELINES**

The above document has been reviewed, particularly in the context of waste management. Whilst it is noted that the calculation methodology is essentially transposed from the IPCC *Guidelines for National Greenhouse Inventories Volume 5* and thus the methodology unlikely to be open for significant amendment, the following comments are offered nevertheless:

- The question of boundaries needs to be more carefully defined. In particular, where would the greenhouse gas emissions arising from waste collection be attributed to? If attributed to generators, and specifically their fleet, then those corporations with a large fleet servicing a number of municipalities will be “visible” whilst smaller services would be below the reporting threshold. This might create misleading inventories.
- The existing structure would suggest that embedded energy within waste is only to be accounted for at its manufacture. This runs contrary to most of the arguments for recycling, where the recovery of embedded energy is one of the primary benefits of recycling. Indeed, the formulae as structured provide no benefit to those who undertake waste processing independently from a landfill operation. The primary benefit from the proposed formulae would appear to be landfill operators (of whom the EMRC is one), as their diversion of cardboard (for instance) would enable them to reduce their overall GHG emissions. A third party undertaking the same service cannot report any climate benefit, and is only able to gain financial benefit where the diverted materials save in emissions during remanufacture AND the third party can negotiate higher prices on account of these reduced emissions.
- The focus of the guideline exclusively upon landfill is misleading, and sure to be out of date within a relatively short period of time as more waste processing facilities are developed. The Australian technical guidelines should incorporate the IPCC guidelines for “Biological Treatment of Solid Waste” (Volume 5 Chapter 4), obviously modified to suit Australian conditions. Importantly, this guideline states that a waste composting facility may be assumed to generate 0.3 g/kg (wet weight basis) of N₂O. Thus, a 100,000 tonne per year plant would be assumed to produce 30 tonnes of N₂O, or 9,300 tonnes of CO₂e. Under Australian conditions, this may be higher or lower and should be ascertained.
- In terms of specific comment on landfill:
 - Wood within landfill needs a thorough reconsideration. Wood is reported within the literature to be minimally degraded under anaerobic conditions, and requires pre-treatment (such as size reduction) to obtain the sorts of degradation rates cited. A lump of wood can be considered all but totally sequestered. This should be taken into account by modifying the DOC_f for wood to a much lower number than 0.5. Alternatively, and as a minimum, the number used for a dry temperate environment such as WA should be at the lower bound in the IPCC report. This is a 70 year half-life rather than 35 years.

Advancing Perth's Eastern Region 

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Member Councils: Town of Bassendean, City of Bayswater, City of Belmont, Shire of Kalamunda, Shire of Mundaring, City of Swan

- Another waste stream that might need consideration is waste that has been digested or composted. This waste presumably has substantially less DOC, and so would contribute to lower overall greenhouse gas emissions. This is understood to be the primary benefit sought from EU laws requiring the pre-treatment of waste disposed of to landfill.
- The oxidation of methane within the landfill cap is listed at 0.1 (10%). This is an area of substantial research internationally, with the actual oxidation dependant upon the cap design and construction. Oxidation percentages in the landfill cap are reported to range from about 10% to 100%, with many in the order of 75%, thus suggesting that the reported value is low.
- Without wanting to unnecessarily complicate the formula, the time over which the landfill is open and not capturing gas is critical to methane generation overall. It might be worthwhile to incorporate some modifications to the formulae that allow for zero gas capture and cap oxidation for the 1-3 years that a typical landfill cell is open.
- A further refinement that might be considered is the operation of a landfill as a bioreactor landfill. This is where specific operational practices are introduced (such as moisture addition) to speed up the waste degradation. This in turn increases gas production, but reduces the length of time over which gas is produced. The bioreactor landfill might be taken into account by adjusting the degradation half-life.
- The data provided suggests that a Western Australian municipal waste landfill with gas capture would be required to report if it ran for 20 years at a little over 100,000 tonnes per year. This would affect every major Perth landfill, however our discussions suggest that most landfill operators are unaware of these impending requirements. Where there is no gas capture and flaring, a single site without gas capture and flaring would be reporting at tonnages of about 35,000 tonnes per year. Assuming that the average person generates one tonne of waste per year, this threshold would mean that a number of country areas would also need to be reporting greenhouse emissions. Given the shorter default half-lives for moist and wet tropical climates, the threshold is likely to be much lower for landfills in Queensland and the Northern Territory.
- It is understood that the establishment of one part of a facility as exceeding the threshold means that all other emissions sources need to be accounted for. This should be made explicit in the document, as plant used on a landfill would then contribute to the overall site emissions, and these emissions would not be insignificant.

I would be happy to discuss this further if required, and appreciate the extension in time offered for these comments to be provided. I can be contacted on (08) 9424 2223.

Regards,

Adam Johnson
Executive Manager, Waste Management Services

WASTE MANAGEMENT ASSOCIATION OF AUSTRALIA
NATIONAL CARBON COMMITTEE

SUBMISSION TO GARNAUT'S DISCUSSION PAPER ON THE EMISSIONS
TRADING SCHEME

INTRODUCTION

The Waste Management Association of Australia (WMAA) represents "*individuals and organizations that are involved in waste or secondary resource management including those who manage, collect, store, transport, treat, recover or dispose of any component of a waste stream, e.g Waste Management Industry, Secondary Resources Management Industry and Local Government*".

In March 2008, the National Carbon Committee (NCC) was established under the WMAA to examine the implications of climate change on the waste sector, and in particular, the impact of the introduction of an Australian emissions trading scheme (AETS). This committee is a Division of the WMAA and through voluntary membership open to all corporate and individual WMAA members in each State, provides a reasonably credible and broad representation of the views of the WMAA membership. However, the views expressed in this document are those of the members of the NCC and should not be taken as WMAA policy nor as being representative of the view of all members of the Association.

At the outset, the NCC wishes to reinforce that it supports the overall objective behind the AETS of reducing the level of greenhouse gas emissions in the atmosphere, and wishes to play a role in achieving this objective, both in the short term and the long term. Unlike almost every other sector, the waste industry has reduced its net emission profile markedly over recent years through methane recovery, diversion of organics from landfill, and increased recovery of embodied energy through recycling. The potential exists for much greater reduction from the sector.

In general, the NCC supports the design principles presented in the ETS discussion paper. This submission has been prepared against these design principles, and raises a number of critical issues related to the waste sector's ability to comply with these principles by 2010. As such it suggests that it is premature to make a decision as to whether the waste sector should be included in the AETS, and recommends that further detailed research and analysis needs to be undertaken to determine whether including the waste sector within the AETS in 2010 will actually produce the best greenhouse gas abatement outcome in both the short and long term.

DESIGN PRINCIPLES

Principle 1: Scarcity aligned with the emissions target

The NCC supports this principle. There is, however, a question as to whether provisions can, or are, made for allocation of permits to essential services. For instance, it is important to avoid the potential for large players in the market to buy-up permits and manipulate the price incurred by those with a lower capacity to pay, even when these are essential services, such as waste management. The NCC support a critical analysis of auction design and in particular close attention should be paid to limiting the number of permits any one party can purchase. This is so as to avoid abuse of market power that could potentially lead to increased scarcity and an unwarranted increase in permit prices.

Principle 2: Tradability

The NCC gives qualified support to this principle. In the waste sector, relatively small public sector organisations are common. As a result, there is unlikely to be the sophistication to trade on derivatives markets, notwithstanding the fact that the waste sector would benefit substantially from the price stability that forward markets would provide.

On a similar point, the transaction costs would need to be as low as possible. Depending upon the emissions thresholds at which the need to acquire permits occurs, a large number of relatively small operators may be included in the AETS. High transaction costs would disproportionately impact on such operations.

Finally, consideration should be given to how permit trading might work within the procurement strictures of the various local government acts. This probably does not impact on the design of the system, but will impact on its operation across much of Australia and particularly in areas outside Sydney and Melbourne where waste is primarily managed by local government.

Principle 3: Credibility

The NCC gives qualified support to this principle. Whilst the waste sector only represents approximately 3% of Australia's greenhouse emissions, the estimation techniques applied to these emissions do not currently comply with the principle of credibility.

A vital aspect of determining liability under an ETS is to make sure that the measurement or estimation of emissions from a particular sector is accurate. As the Discussion Paper states (page 27): *“In order for a sector to be covered by an ETS, there must be a reliable and accurate way to monitor, measure or estimate, and verify emissions from that sector”*. Therefore, permit allocation must be based on carbon emissions that can be measured with a high degree of certainty.

The NCC considers that further detailed work needs to be undertaken in relation to the measurement of waste sector emissions and their prediction and estimation using the First Order Decay model, proposed by the Government in the draft Technical Guidelines.

Issues with the proposed model include:

- The known problems with measuring gas emissions from landfills. In addition to instrumental interferences the concentration and nature of emissions across a landfill are affected by climate and local weather conditions.
- The efficacy of applying a First Order Decay Model to landfill emissions under Australian conditions must be demonstrated. Unlike combustion of fuels, and other industrial processes, landfills are complex biophysical systems with a large number of steps and physical pathways involved in converting carbon sources into emissions and the subsequent release, capture or control of these emission.
- Long-term residual methane emissions from landfills are strongly influenced by methane oxidation in the cap. Low flux rates of methane through vegetated capping systems encourages oxidation of methane to CO₂ and H₂O.
- Considerable quantities of organic carbon do not degrade in landfills and this should be allowed as carbon storage to discount fugitive methane emissions.

A range of potential measures are available to landfill operators that would abate methane by improving oxidation of non-captured methane. These include early capping of smaller cells and using organic-rich cover materials and caps. However, the existing model does not provide flexibility in the value to be assigned to methane oxidation. Consequently use of the model to calculate liability under the AETS would provide no incentive for landfill operators to undertake such measures.

Recent work in Holland, at a site where landfill gas emissions could be measured to an accuracy of about 10%, showed that the IPCC model result was 65% higher than the measured levels. Six other models were used to generate emission estimates – their results varied by a factor of more than 20X, from about 40% to more than 800% of the (annualised) measured emission rate.

The industry considers that there should be the ability for actual measurement to take place, however, the alternative of measuring emissions directly instead of using a model also has problems. No method has been agreed that is both inexpensive and reliable. And, unlike models, measurements do not allow a distinction to be drawn between emissions arising from waste deposited in the past and those from post-AETS activity. Notwithstanding these issues, the industry considers that there should be the ability for actual measurement to take place of landfill emissions, rather than use of an estimation model, if a covered landfill wishes to take this route.

The range of concerns that have been raised, above, are essentially with the First Order Decay model which is at the heart of the different models. A ready solution would be for a single model and set of parameters to be agreed upon by the waste sector, with some further rules established for the evidence required to vary parameters for a particular site. This scope for variation obviously has potential to impact on the transaction costs and

overall credibility of the system, particularly with permit liabilities resulting from incorrect estimation or deeming practices.

Where parameters may be varied based on new evidence gathered, it would need to be clear at the outset who is responsible for the expensive exercise of data gathering. One alternative is that the data gathering is funded by the AETS participants (adding to transaction costs), and the other is that some of the revenue from permit auction is used to fund the exercise.

Principle 4: Simplicity

The principle of simplicity is strongly supported, however it is noted that the waste sector is rarely simple because, unlike other sectors, it deals with products that generate GHG (in landfill), but also enables GHG mitigation in the form of realising the embodied energy found in recovered recyclable material, carbon sequestration in the form of composting waste with compost applied to soil and also timber stored anaerobically in landfill.

Often, the operators of plants that recover recyclables or compost waste are not the same as the operators of landfills. It is therefore difficult to see how benefit from GHG abatement activities could accrue in any meaningful way to the operators of the relevant plants. Landfill operators would be incentivised to keep tonnages up (and thus income), with works implemented to improve landfill gas capture, whereas organizations that divert organics from landfill would lose income currently earned from the sale of offsets into the market.

Without any incentive to shift from landfill, the extent of Australia's GHG abatement from the waste sector might be capped as low as 20% (reported in WGIII, 4AR of the IPCC as being one estimate of the 'lifetime' recovery efficiency of landfill gas).

A carbon permit value of \$35/tonne would not be a significant driver to encourage resource recovery. A permit value of \$35/tonne would result in increased landfill gate fees in the range of \$2/tonne to \$20/tonne. This is calculated as follows:

- A large landfill (over 100,000 tpa) will generate about 70,000 tonnes CO₂e without gas capture.
- With an optimistic gas capture of 70%, and low carbon price of \$10/tonne CO₂e, the additional price on waste disposal from the AETS is \$233,000 (\$2.33/tonne of waste)
- With a pessimistic gas capture of 20%, and a high carbon price of \$35/tonne CO₂e, the additional price on waste disposal from the AETS is a bit under \$2,000,000 (\$20/tonne of waste).

Most resource recovery operations are over \$50/tonne more expensive than landfill. Indeed, landfill levies have been around in most states for the explicit purpose of diverting waste from landfill and have broadly been unsuccessful at current levels (ranging from \$0-60/tonne). Current costs to construct an Alternative Waste Treatment

(AWT) facility to process Municipal Solid Waste (MSW) are approximately \$170 per tonne. Landfill costs including levies ranging between \$40-\$110 p/tonne. Therefore a carbon price would need to be in the range of \$60-\$130 per tonne to bridge the economic divide between landfill and AWT unless landfill levies were markedly increased across the country. Currently most regional and rural landfills do not have any levy imposed at all. This implies that a significantly higher carbon value could be required to trigger action, such as improved gas capture or diversion of organic waste from landfill, in rural areas.

It should therefore be acknowledged that the application of an AETS to waste, in the short term, is unlikely to result in significantly higher diversion of organics from landfill, which is what is required for the solid waste sector to meet its part in achieving the national emission reduction targets.

Consideration should also be given to how incentives for resource recovery might arise under an AETS. This might be done by leaving the overarching AETS structure unchanged, but waste sector participants choosing to form what amounts to a series of closed sub-markets (perhaps structured as joint ventures) to enable abatement opportunities. Alternatively, there may be simple amendments to the AETS that can achieve the same outcome. In summary, the best policy setting to optimise abatement opportunities at least cost is required.

Principle 5: Integration with other markets

The NCC agrees with this principle and its application to the solid and liquid waste sectors. It is important to note, as mentioned for Principle 3, that solid waste has not been included in the European ETS, largely due to the fact that “there are large uncertainties with respect to direct emissions, indirect emissions and mitigation potentials for the waste sector”. (Bogner et al, Climate Change 2007:Mitigation. Contribution of Working Group III to the Fourth Assessment Report of the IPCC.). It is also noted later in this same IPCC reference (p. 596) that the source of this uncertainty is clarified as being largely due to default methods for developing (data poor) countries. Countries with good data have uncertainties between 10-30%. Therefore, the variability in emissions estimation from landfills could, to a small degree inject distortions that result in an emissions permit price that does not reflect its true scarcity value, and which could adversely affect resource allocation decisions by investors in other markets.

It is critical that an Australian system be integrated with other markets, and this is a strong argument against modifying the estimation model from that adopted and agreed by the IPCC. Any rules for adjustment to parameters would need to be consistent with those adopted in other markets, otherwise waste may undermine the credibility of the Australian ETS (though at 3% of all emissions, the extent of influence is likely to be minor, but is likely to be counter to this principle’s intent).

On a broader level, Australia specific changes to estimation methodologies might need to be quarantined from international trade. This would then create two types of permits

(domestic and international) – and whilst the step adds complexity to a system striven to be as simple as possible, it may enable some of the transition issues to be resolved (issues that are not just limited to estimation methodologies). Under such a system, the auction of “domestic” permits would presumably reduce over time as the rules for the international carbon markets converge.

Other factors that need to be considered in relation to the AETS is the possibility for the AETS to enable proxy carbon taxes applied to waste management to be removed or clearly justified. Possible proxy carbon taxes include landfill levy (where a key part of the justification is the internalisation of environmental externalities such as GHG emissions), laws in relation to banning putrescible waste to landfill and laws in relation to methane flaring where it can be demonstrated that these are adversely distorting or interfering with the effectiveness of the objectives of the AETS. A large number of such proxy taxes could emerge on close investigation, and the introduction of the AETS with application to waste management is a prime opportunity for the reform and simplification of waste regulation. The AETS would presumably lead to a far more efficient resolution of the same problem. For this reason, inclusion of waste management in an AETS is to be preferred to legislation mandating particular abatement measures – the effectiveness of implementation is only as good as the effectiveness of enforcement. Under an AETS, implementation would be driven by self-interest. This being said, the NCC acknowledges the relevance, in some situations, of having complementary measures to support the greenhouse gas reduction objectives of the AETS and that there is rarely a singular regulatory instrument that will resolve all issues, but rather you will get a number of measures operating in tandem – the positive measures and the diminutive measures.

A further consideration is the time of application of permits. A landfill will generate GHG for decades after it has ceased accepting waste. Thus, at a large and old landfill, GHG emissions today are comprised in large proportion from waste placed years before.

If it was decided to make the time of application the period in which emissions were released, then emissions from old landfills would need to have permits. If it was decided that it was emissions from activities in the relevant period, then the calculation becomes extremely complex, as emissions generated today from waste placed years ago would need to be stripped out of the total emissions estimate.

In the case of the former, these emissions could obviously be included in the AETS, and the responsible party be obliged to purchase permits for the emissions. This requirement would drive substantial investment in capping and gas capture of old landfills, potentially a good environmental outcome provided it is linked to a size threshold (most small landfills do not generate significant methane). The challenge, however, will be in determining who the responsible party is. Councils will presumably be responsible for old Council landfills, but old private landfills may potentially have no responsible party and may end up being considered “orphan” sites.

In the case of the latter, the calculation methodology would create a counter-intuitive situation where more methane is collected (ie from the total of the waste deposited) than is generated (ie from the waste placed in that period only). Thus, net emissions may be negative. Furthermore, such a methodology would disadvantage new (generally well engineered) sites over old sites.

The NCC suggests that the more logical decision would be to require permits for old landfills, and orphan sites should not be exempted (as this would create a perverse incentive to abandon sites). The responsibility for acquiring permits (and thus for managing GHG emissions) for “orphan” sites may need to rest with the State Government. In all other cases the responsibility would rest with the current owner. In either case, there will be a funding shortfall and thus calls on the Federal Government to provide support, potentially from the permit auction revenue. Or the State Government could fund remediation of these sites ie installing the appropriate gas capture systems. This could be achieved by regulation.

COVERAGE

The NCC notes that Garnaut proposes that the waste sector should be covered by the AETS from the outset (ie from 2010). Given the above issues, the NCC proposes that further information is needed about how coverage of the waste sector would work in practice before a final decision is taken on this issue.

In particular, the following matters also require resolution:

- Would landfills operated by local government or state authorities be covered by the scheme? In this context, it is noted that liability under the AETS is likely to be premised on the information provided by companies covered under the National Greenhouse and Energy Reporting Act (NGER Act). It is our understanding that most Councils will not fall within the definition of “constitutional corporation” and will therefore not be required to report under this legislation. The same would be true of State government bodies.
- How would liability be allocated to landfills which have closed, or are likely to close in the short term? These landfills may still be releasing greenhouse gas emissions, but will not be ‘operational’. Any liability associated with purchase of permits for these landfills will not be able to be passed on to those customers of the landfill.
- What threshold will be set for liability from the waste sector? Will liability just be limited to landfills, as proposed under the New Zealand ETS? Will liability be the same as the threshold set under the NGER Act (ie 25,000 CO₂e)?
- Will a landfill wholly owned by a larger corporation operating in a different industry sector which has an AETS liability also have an AETS liability?

The NCC considers that further detailed consideration needs to be given by the Garnaut Review and the Department of Climate Change as to whether coverage of the waste sector will achieve significant greenhouse gas reductions, or whether there may be the opportunity for other policy or regulatory measures to be introduced to achieve this objective more effectively.

SUMMARY

In summary, the NCC:

- In general, supports the principles for the AETS as presented in the Discussion Paper;
- Acknowledges the significance of emissions from the waste sector, and the role to be played by the sector in reducing these emissions;
- Considers that, given the issues raised concerning measurement and modelling of emissions from the sector, it is premature to decide to include the waste industry within the scope of the AETS;
- Considers issues such as local government involvement and coverage of closed or old landfills need to be resolved before a decision is made as to whether to include the waste sector within the AETS;
- Believes further validation and testing of the proposed First Order Decay model is required;
- Requests that consideration be given to the rules or parameters for individual landfills to measure their emissions, in the event that a landfill wishes to pursue this route rather than use the Government's estimation model;
- Suggests that alternatives to coverage under the AETS to achieve reductions of emissions from the waste sector should be considered, and in particular the role that resource recovery, recycling, composting and recovery of embodied energy may play in the offset market (and achievement of emissions abatement) should be further evaluated.

FURTHER DIALOGUE

The NCC would be happy to provide more details of the matters raised above, and would be happy to meet with Professor Garnaut or members of his team to discuss any aspects of its concerns in greater detail.

In particular, the industry would be happy to work with the Garnaut team or the Government in investigating the adequacy and appropriateness of the First Order Decay model.

It is also considered that further research should be undertaken to:

- clearly identify the impacts on each of the key sectors that make up the waste industry;
- document the cost / benefit/risk analysis that supports the position that the waste sector should be included in the AETS in 2010; and
- demonstrate the economic advantages / disadvantages that arise from inclusion / non-inclusion options. This needs to include in-country considerations as well as the ramifications of any Australian actions on the short-term international debate and long-term impact if Australia is not fully involved in the determination of future international technical and trading agreements.

The NCC would be happy to play a role in facilitating or assisting in such research.



9.3 2008/2009 SCHEDULE OF FEES & CHARGES FOR WASTE DISPOSAL AT RED HILL WASTE MANAGEMENT FACILITY

REFERENCE: COMMITTEES-7943

PURPOSE OF REPORT

To provide Council with the proposed 2008/2009 Schedule of Fees and Charges for the disposal of waste at the Red Hill Waste Management Facility and Hazelmere site for adoption.

KEY ISSUES AND RECOMMENDATION(S)

- It is proposed that the 2008/2009 base waste disposal fee be set at \$31.00/tonne (ex GST).
- It is proposed that the member Council contribution to the Secondary Waste Treatment Reserve be increased to \$18.00 per tonne (ex GST), a \$2.00/tonne (ex GST) increase over the 2007/2008 contribution, and the contribution to the secondary waste Reserve from commercial/general waste be increased by \$1.00/tonne over the 2007/2008 level to \$11.00/tonne (ex GST).
- It is proposed to increase the Waste Education levy from \$1.00/tonne (ex GST) to \$2.00/tonne (ex GST) to fund an expanded Waste Education Strategy leading up to decisions in relation to the Resource Recovery Project.
- The Department of Environment and Conservation has increased the Landfill Levy by \$1.00/tonne (ex GST) for 2008/2009, and the Landfill Levy will be \$7.00/tonne (ex GST) for all Class II, III and IV waste disposed of to landfill
- The cost of member Council tip passes are proposed to increase slightly (except for the Gidgegannup pass), as are prices for general waste from small vehicles, noting the relatively significant price increases in 2007/08.
- It is proposed that the Commercial/General Waste fee be increased from the current rate of \$60.00/tonne to \$65.45/tonne (ex GST).
- A detailed presentation of all other changes to waste fees and charges is contained in the report.

Recommendation(s)

That:

1. That the 2008/2009 Draft Fees and Charges for Waste Management, forming attachment 1 to this report, be adopted and be effective as from 1 July 2008.
2. That the relevant fees and charges be advertised in accordance with Section 6.19 of the Local Government Act 1995

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.



Item 9.3 continued

Draft fees and charges were presented to Council at its 20 March 2008 meeting, and Council resolved:

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 2008/2009 EMRC DRAFT BUDGET.

REPORT

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.

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 GST.

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 to \$7.00/tonne in 2008/2009 and by \$1.00/tonne in each year to 2011/2012.

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 2007/2008 rate of \$16.00. This has been used in developing the 2008/2009 Member Council waste management fees and charges.

An increase of \$1.00/tonne has been proposed for the Waste Education levy, increasing it from \$1.00/tonne to \$2.00/tonne to fund an expanded Waste Education Strategy leading up to decisions in relation to the Resource Recovery Project. The Waste Education levy has been unchanged since its inception in 2002/2003 notwithstanding significant expansion in the scope of the education programme.

The Base Tipping Fee is proposed to be increased from \$29.50/tonne to \$31.00/tonne, and increase of about 5%. The Base Tipping Fee may be required to be increased further depending on the finalisation of the budget process, ensuring that initiatives proposed by Council at its Strategic Planning day on 8 March 2008 are able to be funded from operating surpluses rather than from reserves.

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 small increases are proposed for Council Refuse Tip Passes for both cars and trailers. These increases are broadly consistent with the increase in waste disposal fees.

General Waste

The commercial/general waste disposal rates are proposed to be increased from \$60.00/tonne to \$65.45/tonne. The draft fees and charges proposed an increase from \$60.00 to \$63.64.

It is suggested that the current contribution from commercial/general waste to the Secondary Waste Reserve of \$10.00/tonne be increased to \$11.00/tonne to build the Secondary Waste Reserve ahead of a decision on the Resource Recovery Facility.



Item 9.3 continued

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.

The provision of a discount for disposing of bulk waste volumes enables the EMRC to offset largely fixed costs against a greater volume of waste, and thus keep member Council waste disposal fees low. The additional income earned also enables the EMRC to fund programmes that would otherwise be either abandoned or funded by member Councils.

The proposed commercial waste fee increases are based on market considerations. The commercial waste fees may need to be revisited as waste disposal trends become evident throughout the year.

Greenwaste

The proposed fee for the disposal of uncontaminated green waste from member Councils is proposed to remain unchanged, and the fee for MGB greenwaste will continue to be indexed to the waste disposal fee less landfill levy.

The fee for commercial green waste is proposed to be reduced from \$36.00/tonne to \$27.27/tonne. This reduction is intended to make green waste disposal at Red Hill more attractive, enabling a critical mass of product to be received so that the composting operations can shift from an intermittent to a continual process. This is expected to reduce processing costs per tonne of mulch.

The option of green waste disposal at Hazelmere is proposed, with a disposal fee of \$36.36/tonne to provide for cartage of the shredded green waste to Red Hill. A nil fee is proposed for the disposal at Red Hill of green waste shredded to the EMRC specification. Both of these measures will contribute to tonnages of green waste processed at Red Hill, and thus achieve efficiency gains. They may also lead to green waste being diverted from the waste stream disposed of to landfill.

Special wastes

In September 2005 Council resolved to reduce the asbestos disposal charge to that applicable to commercial waste so as to encourage appropriate disposal and reduce the incidence of illegal dumping due to high disposal costs. This was continued in 2007/2008, however other landfills increased their asbestos disposal charge substantially.

As a result of the price differential between Red Hill and other landfills, Red Hill is receiving substantial volumes of commercial asbestos. To compensate for the higher cost of asbestos management, it is proposed to increase the fee for asbestos disposal from \$59.59/tonne to \$72.73/tonne, but introduce a new fee for disposal of asbestos from member Council residents. This fee is proposed to be set at \$59.10/tonne.

A charge for mattresses is proposed to be established for Red Hill, but only be applied upon the commencement of mattress processing at Hazelmere. The charge for mattresses delivered to Red Hill and Hazelmere is proposed to be set at \$4.55/mattress, an increase from \$2.00/mattress.

The disposal fees for Class III and Class IV waste and Class III and Class IV contaminated soils are proposed to be increased by a similar percentage to the increases for commercial/general waste. The disposal fee for Class V waste to be concrete encapsulated has been increased from \$418.82/tonne to \$500.00/tonne to take into account substantial price increases in concrete.



Item 9.3 continued

Hazelmere

The volumetric fees for the acceptance of Grade 1 and Grade 2 timber waste are proposed to be reduced to \$3.18/m³ and \$4.55/m³ largely to facilitate cash handling.

The fee per tonne for Grade 1 timber is proposed to be increased from \$20.00/tonne to \$30.00/tonne upon commissioning of the Hazelmere weighbridge. This increase is based on an observed willingness of waste disposal companies to pay a premium for public weighbridge dockets to attract the tonnage fee rather than the volumetric fee. The volumetric fees will cease to be used after the commissioning of the Hazelmere weighbridge.

Sale of materials

All materials sold from either Red Hill or Hazelmere are subject to minimum orders of 10 tonnes, and all prices are ex stockpile (that is, do not include delivery). This is to minimise site workload from having small orders, and is also intended to avoid direct competition with garden supply yards.

It is not proposed to change the prices for the sale of mixed clay/fill, mulch and ferricrete from the 2007/2008 levels, however the price for mixed clay/fill is clarified to stipulate that the purchaser must load the material.

The price for the sale of compost is proposed to be reduced from \$30.00/tonne to \$25.00/tonne to make it the same price as mulch and thus promote its sale. The reduction will also facilitate the development and sale of compost/mulch blends.

The price for the sale of woodchip is proposed to be increased from \$40.00 to \$45.45. A new charge is proposed for the sale of wood fines of \$30.00/tonne, and the charge for the sale of coloured mulch is proposed to be \$70.00/tonne. Discounts of 5% and 10% on the sale price are proposed for single orders of a particular product in excess of 100 and 1,000 tonnes respectively.

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 9.3 continued

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
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)

2008/2009 Proposed schedule of fees and charges (Ref: Committees-7957)

VOTING REQUIREMENT

Absolute Majority

RECOMMENDATION(S)

That:

1. That the 2008/2009 Draft Fees and Charges for Waste Management, forming attachment 1 to this report, be adopted and be effective as from 1 July 2008.
2. That the relevant fees and charges be advertised in accordance with Section 6.19 of the Local Government Act 1995

Discussion ensued

Mr Lutey asked if the change in fees in the first paragraph on page 31 under the heading general waste, from \$60.00/tonne to \$65.45/tonne is a change from the first draft fees and charges proposed. The Executive Manager, Waste Management Services confirmed that it is a change.

Mr Stewart-Dawkins entered the room at 3.41pm.

TAC RECOMMENDATION(S)

MOVED MR LUTEY

SECONDED MR COTEN

That:

1. That the 2008/2009 Draft Fees and Charges for Waste Management, forming attachment 1 to this report, be adopted and be effective as from 1 July 2008.
2. That the relevant fees and charges be advertised in accordance with Section 6.19 of the Local Government Act 1995

CARRIED UNANIMOUSLY



Item 9.3 continued

COUNCIL RESOLUTION(S)

MOVED CR LAVELL

SECONDED CR ALBERT

THAT:

1. THAT THE 2008/2009 DRAFT FEES AND CHARGES FOR WASTE MANAGEMENT, FORMING ATTACHMENT 1 TO THIS REPORT, BE ADOPTED AND BE EFFECTIVE AS FROM 1 JULY 2008.
2. THAT THE RELEVANT FEES AND CHARGES BE ADVERTISED IN ACCORDANCE WITH SECTION 6.19 OF THE LOCAL GOVERNMENT ACT 1995

CARRIED UNANIMOUSLY

EASTERN METROPOLITAN REGIONAL COUNCIL
2008/2009 PROPOSED SCHEDULE OF FEES AND CHARGES

Description	Weight/Unit	2007/2008 Charges with no GST		2007/2008 Charges inc GST		2008/2009 Charges with no GST	2008/2009 Charges		% Inc. 2007/2008 to 2008/2009 Exc. GST
		Value of GST \$	GST \$	Value of GST \$	inc GST \$		Value of GST \$	inc GST \$	
Waste Management Charges									
Disposal Rates									
Member Councils									
	1 tonne								
Base Tipping Fee		29.50	2.95	32.45	31.00	3.10	34.10	5.08%	
CWES Levy		1.00	0.10	1.10	2.00	0.20	2.20	100.00%	
Secondary Waste Reserve		16.00	1.60	17.60	18.00	1.80	19.80	12.50%	
Landfill Levy		6.00	0.60	6.60	7.00	0.70	7.70	16.67%	
Total Member Council disposal rate - (*)		52.50	5.25	57.75	58.00	5.80	63.80	10.48%	
Councils - Other									
WMRC - Domestic - (*)	1 tonne	52.50	5.25	57.75	58.00	5.80	63.80	10.48%	
WMRC - Commercial	1 tonne	60.00	6.00	66.00	65.45	6.55	72.00	9.08%	
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	10.50	1.04	11.54	10.91	1.09	12.00	3.90%	
Council Refuse Tip Passes - Trailers (up to 500kg)	n/a	18.36	1.84	20.20	19.09	1.91	21.00	3.98%	
General Waste									
Cars / Station Wagons	n/a	11.82	1.18	13.00	12.27	1.23	13.50	3.81%	
Trailers (6 x 4)	n/a	22.73	2.27	25.00	23.18	2.32	25.50	1.98%	
Trailers (6 x 4) High Sides	n/a	27.27	2.73	30.00	28.18	2.82	31.00	3.34%	
Tandem/ Horse Floats (< 1 tonne)	n/a	40.91	4.09	45.00	41.82	4.18	46.00	2.22%	
Vans / Utes	n/a	20.00	2.00	22.00	20.45	2.05	22.50	2.25%	
Commercial (General)	1 tonne	60.00	6.00	66.00	65.45	6.55	72.00	9.08%	
Minimum Commercial Charges		30.00	3.00	33.00	32.73	3.27	36.00	9.10%	
Commercial (Special Access)	1 tonne	70.00	7.00	77.00	75.45	7.55	83.00	7.79%	
Greenwaste									
Greenwaste - uncontaminated (Member Councils)	1 tonne	26.50	2.65	29.15	26.50	2.65	29.15	0.00%	
Greenwaste - MGB (Member Councils)	1 tonne	46.50	4.65	51.15	51.00	5.10	56.10	9.68%	
Greenwaste - uncontaminated (Commercial)	1 tonne	36.00	3.60	39.60	27.27	2.73	30.00	-24.25%	
Greenwaste - uncontaminated (to Hazelmere)	1 tonne			NOT APPLICABLE	36.36	3.64	40.00	N/A	
Greenwaste - shredded to EMRC specification (to Red Hill)	1 tonne			NOT APPLICABLE	NO CHARGE			N/A	
(For 2008/2009 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.)									
(*) 2008/2009 - Inclusive of \$18.00 Secondary Waste Reserve and \$2.00 CWES Levy.									

EASTERN METROPOLITAN REGIONAL COUNCIL
2008/2009 PROPOSED SCHEDULE OF FEES AND CHARGES

Description	Weight/Unit	2007/2008 Charges with no GST		2007/2008 Charges inc GST		2008/2009 Charges with no GST	2008/2009 Charges		% Inc. 2007/2008 to 2008/2009 Exc. GST
		Value of GST \$	GST \$	Value of GST \$	inc GST \$		Value of GST \$	inc GST \$	
<u>Waste Management Charges continued..</u>									
<u>Disposal Rates continued..</u>									
<u>Special Wastes</u>									
Asbestos	1 tonne	59.59	5.96	65.55		72.73	7.27	80.00	22.05%
Asbestos - Member Council residents only	1 tonne	59.59	5.96	65.55		59.10	5.90	65.00	-0.82%
Asbestos - Minimum Charge		12.27	1.23	13.50		13.64	1.36	15.00	11.17%
Car Bodies - Commercial	each	9.10	0.90	10.00		9.10	0.90	10.00	0.00%
Car Bodies - Member Council residents only	each	NO CHARGE	NOT APPLICABLE			NO CHARGE			N/A
Quarantine Waste	1 tonne	81.00	8.10	89.10		81.00	8.10	89.10	0.00%
Burial Fee (for immediate burial requirements)	n/a	120.00	12.00	132.00		122.73	12.27	135.00	2.28%
Tyre Disposal (off rim)	each	2.73	0.27	3.00		2.73	0.27	3.00	0.00%
Tyre Disposal (with rim)	each	5.00	0.50	5.50		5.45	0.55	6.00	9.00%
Mattress disposal fee (to Red Hill)	each		NOT APPLICABLE			4.55	0.45	5.00	N/A
Wash Facility Fee		30.00	3.00	33.00		31.82	3.18	35.00	6.07%
Class III Waste	1 tonne	60.00	6.00	66.00		65.45	6.55	72.00	9.08%
Class III Contaminated Soil	1 tonne	47.20	4.72	51.92		51.82	5.18	57.00	9.79%
Class IV Waste	1 tonne	81.18	8.12	89.30		88.18	8.82	97.00	8.62%
Class IV Contaminated Soil	1 tonne	69.00	6.90	75.90		75.45	7.55	83.00	9.35%
Class V Waste	1 tonne	418.82	41.88	460.70		500.00	50.00	550.00	19.38%
<u>Hazelmere</u>									
Mattress disposal fee	each	2.00	0.20	2.20		4.55	0.45	5.00	127.50%
Wood Waste (per cubic metre)									
- Grade 1	per m3	3.50	0.35	3.85		3.18	0.32	3.50	-9.14%
- Grade 2	per m3	5.00	0.50	5.50		4.55	0.45	5.00	-9.00%
- Grade 3	per m3	10.00	1.00	11.00		10.00	1.00	11.00	0.00%
- Grade 4	per m3	30.00	3.00	33.00		30.00	3.00	33.00	0.00%
Wood Waste (per tonne)									
- Grade 1	1 tonne	20.00	2.00	22.00		30.00	3.00	33.00	50.00%
- Grade 2	1 tonne	28.50	2.85	31.35		35.00	3.49	38.49	22.81%
- Grade 3	1 tonne	57.00	5.70	62.70		57.00	5.70	62.70	0.00%
- Grade 4	1 tonne	100.00	10.00	110.00		100.00	10.00	110.00	0.00%

(For 2008/2009 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
2008/2009 PROPOSED SCHEDULE OF FEES AND CHARGES

Description	Weight/Unit	2007/2008	2007/2008 Charges		2008/2009 Charges with no GST \$	2008/2009 Charges		% Inc. 2007/2008 to 2008/2009 Exc. GST
		Charges with no GST \$	Value of GST \$	inc GST \$		Value of GST \$	inc GST \$	
Waste Management Charges continued ..								
Sale of Materials (all ex stockpile, minimum 10 tonnes)								
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 Clay - ex stockpile	1 tonne	2.00	0.20	2.20		NOT APPLICABLE		N/A
Sale of Mulch (Screened)	1 tonne	45.00	4.50	49.50		NOT APPLICABLE		N/A
Sale of Mulch	1 tonne	25.00	2.50	27.50	25.00	2.50	27.50	0.00%
Sale of Coloured Mulch	1 tonne		NOT APPLICABLE		70.00	7.00	77.00	N/A
Sale of Compost	1 tonne	30.00	3.00	33.00	25.00	2.50	27.50	-16.67%
Ferricrete	1 tonne	12.00	1.20	13.20	12.00	1.20	13.20	0.00%
Wood Chip (coarse ground) - Hazelmere	per tonne	12.00	1.20	13.20		NOT APPLICABLE		N/A
Wood Chip (secondary ground) - Hazelmere	per tonne	40.00	4.00	44.00	45.45	4.55	50.00	13.63%
Wood Chip (fines) - Hazelmere	per tonne		NOT APPLICABLE		30.00	3.00	33.00	N/A
(For 2008/2009 material purchases in excess of 100 tonnes and 1,000 are subject to a reduction of 5% and 10% respectively.)								



9.4 OPERATIONS OF THE MUNDARING TRANSFER STATIONS

REFERENCE: COMMITTEES-7950

PURPOSE OF REPORT

To seek Council approval for the EMRC to operate the Shire of Mundaring Transfer Stations in accordance with the attached Project Plan.

KEY ISSUES AND RECOMMENDATION(S)

- The Shire of Mundaring owns three transfer stations in Mundaring, Chidlow and Wooroloo.
- The transfer stations are operated under contract by Volich Waste. That contract is due to expire on 30 June 2008.
- Rather than tendering the operations again, the Shire of Mundaring has approached the EMRC for a proposal to operate the Mundaring and Chidlow sites, and to provide a recycling service at the Wooroloo site.
- A Project Plan has been prepared for the proposed service.

Recommendation(s)

That the EMRC operate the Shire of Mundaring Transfer Stations and provision be made in the draft 2008/09 budget in accordance with the attached Project Plan, and that a suitable contract be agreed to between the EMRC and the Shire of Mundaring to reflect the principles outlined in the Project Plan.

SOURCE OF REPORT

Executive Manager, Waste Management Services

BACKGROUND

During the Strategic Plan Workshop held at The Vines on 8 March 2008, Council decided on three new business areas for the EMRC. One of those new business areas was "Integrated Waste Management".

At its meeting dated 24 April 2008, Council resolved that:

1. *"THE EMRC GIVE IN PRINCIPLE SUPPORT FOR THE OPERATION OF THE SHIRE OF MUNDARING TRANSFER STATIONS, CHARGING THE SHIRE OF MUNDARING ON THE BASIS OF COST PLUS TEN PERCENT."*
2. *"A PROJECT PLAN FOR THE OPERATION OF THE MUNDARING TRANSFER STATIONS, INCORPORATING DETAILED COSTINGS, BE PREPARED FOR THE MAY COUNCIL MEETING."*

REPORT

The Shire of Mundaring operates transfer stations at Coppin Road in Mundaring, Mathieson Road in Chidlow and Mayo Road in Wooroloo. These sites are currently operated on behalf of the Shire of Mundaring by Volich Waste. The contract with Volich Waste is due to expire on 30 June 2008.

In considering its options for the future operations of the transfer stations, the Shire of Mundaring has approached the EMRC seeking a proposal for the EMRC to operate Coppin Road and Mathieson Road transfer stations. The EMRC currently undertakes such a service for the Shire of Kalamunda at its Lawnbrook Road transfer station.



Item 9.4 continued

In considering the provision of the service, and as a result of the requirement to purchase plant and equipment for the service, a Project Plan has been prepared (Attachment 1). The Project Plan has been structured in accordance with clause 10.3 of the Establishment Agreement, with each point of clause 10.3 forming a separate section to the Project Plan.

Key points from the Project Plan are:

- The EMRC contribution is limited to the capital cost of a hooklift truck and eight hooklift bins. This contribution is valued at \$285,000 and is to be funded by a loan guaranteed by the Shire of Mundaring. The purchase will be repaid by the Shire of Mundaring over a period of five years through plant charge rates.
- The Shire of Mundaring will contribute two loaders valued at \$350,000. A loader will be permanently stationed at each of the Mundaring and Chidlow sites, and will be maintained by the Shire of Mundaring. The Shire of Mundaring will replace the loaders as required.
- All operational costs will be borne by the Shire of Mundaring, including an additional 10% for the recovery of the EMRC's indirect overheads.
- In the event that the Service is wound up, the Shire of Mundaring is liable for the difference between the amount to be repaid on the hooklift truck and the value of the truck at auction.

STRATEGIC/POLICY IMPLICATIONS

The operation of the Shire of Mundaring Transfer Stations enables the EMRC to deliver on the new business area of Integrated Waste Management. It also gives the EMRC access to a greater quantity of waste, giving the EMRC and its member Councils a stronger bargaining position in how waste across the Region is managed.

FINANCIAL IMPLICATIONS

The project requires an EMRC capital contribution of \$285,000. This contribution will be recouped in plant operation charges over a five year period.

The total annual operational budget for the project is \$1,012,587.62, and includes the costs of green waste management (shredding and transport) and the EMRC overhead recovery. The annual EMRC overhead recovery is valued at \$92,053.42.

SUSTAINABILITY IMPLICATIONS

Improved waste management services at the Shire of Mundaring Transfer Stations enhances environmental and social outcomes. The EMRC operated service is also anticipated to improve financial outcomes for the EMRC and the Shire of Mundaring, however this is dependant upon actual costs.



Item 9.4 continued

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	} Nil
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	Implications set out in attached Project Plan
City of Swan	Nil

ATTACHMENT(S)

Mundaring Transfer Station Operation Project Plan (Ref: Committees-7962)

VOTING REQUIREMENT

Absolute Majority

RECOMMENDATION(S)

That the EMRC operate the Shire of Mundaring Transfer Stations and provision be made in the draft 2008/09 budget in accordance with the attached Project Plan, and that a suitable contract be agreed to between the EMRC and the Shire of Mundaring to reflect the principles outlined in the Project Plan.

Discussion ensued

Mr Purdy commented in relation to the third paragraph on page 48 of the Project Plan, that it was his understanding that the Shire of Mundaring would receive any surplus from the sale of truck. The Chief Executive Officer confirmed this to be the case.

Mr Riley entered the room at 3.50pm.

There was general discussion in relation to the budget and EMRC overheads, with all agreeing that it would be appropriate to review this after a year of operation for the 2009/10 financial year.

TAC RECOMMENDATION(S)

MOVED MR COTEN

SECONDED MR LUTEY

That the EMRC operate the Shire of Mundaring Transfer Stations and provision be made in the draft 2008/09 budget in accordance with the attached Project Plan, and that a suitable contract be agreed to between the EMRC and the Shire of Mundaring to reflect the principles outlined in the Project Plan.

CARRIED UNANIMOUSLY



Item 9.4 continued

COUNCIL RESOLUTION(S)

MOVED CR POWELL

SECONDED CR STUBBS

THAT THE EMRC OPERATE THE SHIRE OF MUNDARING TRANSFER STATIONS AND PROVISION BE MADE IN THE DRAFT 2008/09 BUDGET IN ACCORDANCE WITH THE ATTACHED PROJECT PLAN, AND THAT A SUITABLE CONTRACT BE AGREED TO BETWEEN THE EMRC AND THE SHIRE OF MUNDARING TO REFLECT THE PRINCIPLES OUTLINED IN THE PROJECT PLAN.

CARRIED UNANIMOUSLY



Shire of Mundaring Transfer Stations

Project Plan



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Table of Contents

Table of Contents	ii
Introduction.....	1
(a) Definition of New Project or Service.....	2
(b) Expected costs and benefits for the Participants	3
(c) Project Participant contributions.....	5
(d) Manner of payment of Project Participant contributions.....	5
(e) Project Participant entitlement and liability in the event that the New Project or Service is wound up	6
(f) The manner of payment of entitlement and liability referred to in paragraph (e).....	6
(g) Procedure for Project Participant to withdraw from the New Project or Service	7
(h) Entitlement or liability of a withdrawing Project Participant	7
(i) The manner of payment of entitlement and liability referred to in paragraph (h).....	7
(j) The amount of interest payable where contributions are not made on the due date for payment.....	7
(k) The entitlement of a Participant which is not a Project Participant to join the New Project or Service	7



Introduction

The Shire of Mundaring currently operates transfer stations at Coppin Road in Mundaring, Mathieson Road in Chidlow and Mayo Road in Wooroloo. These sites are currently operated on behalf of the Shire of Mundaring by Volich Waste. The contract with Volich Waste is due to expire on 30 June 2008.

In considering its options for the future operations of the transfer stations, the Shire of Mundaring has approached the EMRC seeking a proposal for the EMRC to operate the Mundaring and Chidlow transfer stations. The EMRC currently undertakes such a service for the Shire of Kalamunda at its Walliston transfer station.

In considering the provision of the service, and as a result of the requirement to purchase plant and equipment for the service, a Project Plan has been prepared. The Project Plan below is structured in accordance with clause 10.3 of the Establishment Agreement, with each point of clause 10.3 forming a separate section to the Project Plan.



(a) Definition of New Project or Service

The New Service is for the EMRC to operate the Shire of Mundaring Transfer Stations at Mundaring and Chidlow, and to coordinate the provision of recycling services at the Wooroloo Transfer Station. The handling of general waste at Wooroloo will continue to be undertaken by a Shire of Mundaring contractor.

The operations at the Mundaring and Chidlow Transfer Station encompass:

1. Providing site security
2. Maintaining the site in a neat and tidy state
3. Accepting customers, including the checking of tip passes
4. Redirecting non-Mundaring residents and commercial customers to the Red Hill Waste Management Facility or other local waste facilities
5. Providing facilities for customers to sort waste for resource recovery. Initial resource recovery facilities to include:
 - a. Steel
 - b. Aluminium
 - c. Plastics
 - d. Glass
 - e. Paper and cardboard
 - f. Tyres
 - g. Oil
 - h. Timber
 - i. Green waste
 - j. Concrete, bricks and tiles
6. Arranging for the collection of steel, aluminium, plastics, glass, paper, cardboard and oil, with all income (where appropriate) to be passed to the Shire of Mundaring.
7. Advising customers of how to sort waste to encourage resource recovery
8. Transporting all timber waste to the Hazelmere Timber Recycling Centre
9. Transporting concrete, bricks and tiles to the Chidlow Transfer Station
10. Removing all general waste to the Red Hill Waste Management Facility
11. Arranging for the shredding of green waste, with shredded green waste to be removed from site at the best value to the Shire of Mundaring
12. Arranging for the crushing of concrete at the Chidlow Transfer Station, retaining a stockpile of recycled aggregate on site for use by the Shire of Mundaring or onward sale
13. Arranging for the screening of street sweeping and drain cleaning waste stockpiled at the Chidlow Transfer Station

The scope for the Wooroloo Transfer Station operations is limited to items 5 and 6 above, with the resource recovery materials listed in item 5 restricted to materials a to f.

The setting of fees and charges will be the sole responsibility of the Shire of Mundaring.



(b) Expected costs and benefits for the Participants

Costs

The New Service will be operated on the basis of costs plus 10%.

Costs are built from:

- EMRC plant rates, based on capital and operating costs
- EMRC staff salaries, including all on-costs
- Contract costs incurred in the shredding, transport and receipt of green waste
- Contract costs incurred in concrete, brick and tile crushing

Income is received, and deducted from the total cost AFTER the 10% overhead recovery has been applied.

A cost estimate has been calculated for the service, and is provided over. The cost estimate excludes the Wooroloo Transfer Station, as the direct EMRC involvement in this operation is likely to be minor in scope. These costs are able to be absorbed into the costs of the Mundaring and Chidlow Transfer Stations.

Benefits

The benefits to the EMRC, and the region in general, as a result of providing the service include:

- The EMRC comes closer to delivering on the “Integrated Waste Management” strategy as established by Council;
- Waste management services across the Region can be better harmonised;
- The EMRC gains access to a greater quantity of waste, giving the EMRC and its member Councils a stronger bargaining position in how waste across the Region is managed;
- Increasing the number of transfer stations operated enables improved plant utilisation;
- Additional transfer stations provide for more staffing flexibility between sites; and
- All costs and overheads associated with providing the service are covered by the Shire of Mundaring.

The benefits to the Shire of Mundaring include:

- Greater flexibility and control over operations;
- Improved site operations;
- Possibility to provide additional recycling options; and
- Potential for reduced overall costs.



	Mundaring	Chidlow	Total
Capital works			
Paid for up-front (provided by the Shire of Mundaring)			
Compound	\$0.00	\$12,600.00	
Gatehouse	\$2,000.00	\$20,000.00	
Internal road upgrade		\$2,160.00	
<i>Total site works</i>	<i>\$2,000.00</i>	<i>\$34,760.00</i>	<i>\$36,760.00</i>
<i>Administrative setup costs (one-off)</i>			<i>\$6,000.00</i>
<i>Loader</i>	<i>\$175,000.00</i>	<i>\$175,000.00</i>	<i>\$350,000.00</i>
Plant paid for over duration of Service			
Hooklift truck			\$205,000.00
Transfer station bins	\$40,000.00	\$40,000.00	\$80,000.00
<i>Total plant purchase</i>			<i>\$285,000.00</i>
Operations			
Plant			
Truck	\$89,855.39	\$33,104.62	
Bins	\$10,350.49	\$10,350.49	
Site staff			
Salaries	\$129,343.16	\$84,928.78	
On costs	\$41,389.81	\$27,177.21	
Other costs			
Administration	\$13,000.00	\$13,000.00	
General site maintenance	\$7,200.00	\$7,200.00	
Green waste management	\$178,440.00	\$118,960.00	
Concrete, brick, tile management	\$0.00	\$4,583.33	
Oil management	\$1,000.00	\$1,000.00	
Tyre management	\$2,000.00	\$2,000.00	
Transport			
Salaries	\$59,741.47	\$22,010.02	
On costs	\$19,117.27	\$7,043.21	
Supervisor			
Salaries	\$14,295.06	\$14,295.06	
On costs	\$4,574.42	\$4,574.42	
TOTAL COSTS	\$570,307.08	\$350,227.12	\$920,534.20
EMRC OVERHEAD RECOVERY	\$57,030.71	\$35,022.71	\$92,053.42
TOTAL MUNDARING COST	\$627,337.78	\$385,249.84	\$1,012,587.62
Income			
Steel	-\$77,813.41	-\$24,429.79	
Batteries	-\$4,021.67	-\$1,262.62	
Total income	-\$81,835.09	-\$25,692.41	-\$107,527.50
NET MUNDARING COST	\$545,502.70	\$359,557.43	\$905,060.12



(c) Project Participant contributions

EMRC contribution

The EMRC will contribute a total of \$285,000 in capital plant to the project. This will be made up of one hooklift truck, and eight hooklift bins. The cost of the capital items will be recouped through EMRC plant rates, and will be repaid over a period of 5 years.

Bins and containers for recycling, such as steel and plastics, will be provided by the recyclers and are thus not a contribution to be made by the EMRC.

All operational costs incurred by the EMRC will be charged to the Shire of Mundaring.

Shire of Mundaring contribution

The Shire of Mundaring will contribute a loader that will be stationed at each site. The value of the loaders is about \$350,000, and the Shire of Mundaring will provide maintenance services on the loaders.

The Shire of Mundaring will pay all operational costs associated with the service.

The Shire of Mundaring will continue to own the three sites.

(d) Manner of payment of Project Participant contributions

EMRC contribution

The EMRC contribution of capital items will be funded through a loan guaranteed by the Shire of Mundaring, and charged to the Shire of Mundaring through a plant utilisation rate.

Shire of Mundaring contribution

The Shire of Mundaring contribution of the loaders will be made in kind, with a loader to be available at all times on each site.

The Shire of Mundaring contributions to operating costs will be paid monthly on invoices prepared by the EMRC. Invoices will be prepared within 14 days of the end of the month, and are to be paid within 14 days of receipt.



(e) Project Participant entitlement and liability in the event that the New Project or Service is wound up

EMRC entitlement and liability

The EMRC would be entitled to retain hooklift bins established on the site, and would be liable for any outstanding payments for the bins. The total value of the hooklift bins is \$80,000, and the bins would be able to be redeployed at either Red Hill Waste Management Facility or Hazelmere Recycling Centre.

Shire of Mundaring entitlement and liability

The Shire of Mundaring would be entitled to retain:

- Ownership of the sites;
- All recyclables on the sites at the time the Service is wound up;
- Loaders established on the sites;
- All infrastructure established on the sites.

The Shire of Mundaring would be liable for any shortfall between the sum to be repaid on the capital purchase of the hooklift truck, and the value of the truck at auction. Conversely, any surplus on disposal of the truck at auction would be allocated to the Shire of Mundaring. The sum to be repaid on the capital purchase of the hooklift truck will be reported to the Shire of Mundaring annually.

The EMRC may elect, but is not obliged, to purchase the hooklift truck prior to auction at a fair market price agreed between the EMRC and the Shire of Mundaring.

(f) The manner of payment of entitlement and liability referred to in paragraph (e)

The primary liability or entitlement that may be required to be paid at the winding up of the Service is the liability of the Shire of Mundaring for any shortfall between the sum to be repaid on the capital purchase of the hooklift truck, and the value of the truck at auction. Other liabilities may be outstanding operating costs at the time of winding up.

All liabilities are to be paid as a lump sum on an invoice to be raised by the EMRC. The invoice will be raised within 14 days of the hooklift truck being sold at auction, and the invoice is payable within 14 days.



(g) Procedure for Project Participant to withdraw from the New Project or Service

Where either the EMRC or the Shire of Mundaring wishes to withdraw from the Service, the Participant wishing to withdraw from the Service must provide 12 months written notice of its intent to withdraw and the reasons for its withdrawal.

It is expected that the EMRC and the Shire of Mundaring will attempt to resolve any problems with the Service or the Project Plan through mediation prior to deciding to withdraw from the Service.

(h) Entitlement or liability of a withdrawing Project Participant

As there is only one project participant, the withdrawal of this Project Participant would result in the project being wound up, and the entitlements or liabilities are as established in paragraph (e) above.

(i) The manner of payment of entitlement and liability referred to in paragraph (h)

As there is only one project participant, the withdrawal of this Project Participant would result in the project being wound up, and the manner of payment of entitlement and liability are as established in paragraph (f) above.

(j) The amount of interest payable where contributions are not made on the due date for payment

The interest payable on overdue contributions will be the same as that established by Council for overdue payments on disposal charges at the Red Hill Waste Management Facility. There is currently no interest charged on overdue payments.

(k) The entitlement of a Participant which is not a Project Participant to join the New Project or Service

As the Service provides for EMRC operation of transfer stations owned by the Shire of Mundaring, there is little scope for Participants who are not Project Participants to join the service.

There may be some future scope for non-Mundaring member Council ratepayers to be permitted to utilise the transfer stations. Where this occurred, the Shire of Mundaring would be reimbursed at a rate that covers the cost of providing the service.



9.5 ENVIRONMENTAL SERVICES CONSULTING FEES 2008/2009

REFERENCE: COMMITTEES-7963

PURPOSE OF REPORT

To provide Council with the proposed 2008/2009 Schedule of Fees and Charges for Environmental Services for adoption.

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% less) and have only increased each year in accordance with CPI or marginally above CPI (average 4 - 7% 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%).
- The most commonly utilised Consultant Officer rates for member Councils are proposed to increase to \$60 per hour, an increase of \$2 or 3.45% per hour, with the proposed rates for the Manager of the Service increasing by 4.00% and the Executive Manager by 3.53% to \$78 and \$88 per hour respectively. Technical Officer charge-out rates are proposed to be increased by 4.54% to \$46 per hour.
- It is noted that the Consulting Officer rate had not been increased since 2006-2007.
- 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 not anticipated that the proposed consulting rates for 2008/2009 will impact on member Council budgets as rises for some roles will be offset by lower or static charges for other roles.
- It is proposed to increase environmental consulting rates to other clients by an average of 9-11% per hour in 2008/2009, 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 2008/2009, are proposed to be increased between 3.15% and 5.0%.
- The proposed consulting rates will be used to develop the draft 2008/2009 budget.

Recommendation(s)

That:

1. That the 2008/2009 Draft Environmental Services consulting rates, forming attachment 1 to this report, be adopted and be effective as from 1 July 2008.
2. That the relevant fees and charges be advertised in accordance with Section 6.19 of the Local Government Act 1995

SOURCE OF REPORT

Manager Environmental Services



Item 9.5 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% less) and have only increased each year in accordance with CPI or marginally above CPI (average 4 - 7% per year). It is noted that the recent economic boom in WA has seen many environmental consultancies raise their fees considerably over the past two to three years.

There was no increase in member Council consulting rates from 2003/2004 to 2004/2005, and an average increase of 6% from 2004/2005 to 2005/2006. In 2006/2007 rates for member Councils increased by two dollars for most categories of consulting staff and for internal (EMRC) Consulting and External Clients, between two dollars and five dollars per hour.

Draft fees and charges were presented to Council at its 20 March 2008 meeting, and Council resolved:

THAT THE DRAFT ENVIRONMENTAL SERVICES CONSULTING RATES FORMING ATTACHMENT 1 TO THIS REPORT BE USED TO DEVELOP THE DRAFT 2008/2009 BUDGET AND BE REFERRED TO MEMBER COUNCILS FOR CONSIDERATION DURING THE DEVELOPMENT OF THEIR 2008/2009 BUDGETS.

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 2008/2009 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 cover 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% for overhead recovery. This resulted in increases of between 0.0% and 7.1% for member Council rates and between 0.0% and 5.5% for internal (EMRC) consulting rates. External rates were raised by at least 30% to reflect higher commercial consulting rates.

For 2008/2009, all member Council and internal (EMRC) charge out rates are proposed to be increased by approximately the CPI (4%), rounded to the nearest whole dollar. External charge-out rates are proposed to be increased by approximately 10%, again to reflect higher commercial rates. Currently, compared to these rates, the proposed member Council consulting rates represent a 46-60% discount, and the proposed EMRC rates a 40-50% discount.

Other changes during the past year include the increasingly complex funding environment for major projects, particularly the Eastern Hills Catchment Management Program and the Local Government Natural Resource Management (NRM) Policy Project. 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.



Item 9.5 continued

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

In recent years environmental consulting rates at an industry level have risen markedly. The rates for external consulting are proposed to increase substantially in line with industry increases to ensure that the service remains competitive, with opportunity for increased cost recovery for work undertaken for external clients. This 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. As there is very little external consulting undertaken at this stage, this is not expected to substantially affect the Service's budget forecasts.

The EMRC Environmental Service is committed to align 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 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

Member Council	Implication Details
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 2008/2009 (Ref: Committees-7413)

VOTING REQUIREMENT

Absolute Majority



Item 9.5 continued

RECOMMENDATION(S)

That:

1. That the 2008/2009 Draft Environmental Services consulting rates, forming attachment 1 to this report, be adopted and be effective as from 1 July 2008.
2. That the relevant fees and charges be advertised in accordance with Section 6.19 of the Local Government Act 1995

Discussion Ensued

Mr Lutey asked if the fees and charges had changed from the draft submitted previously. The Executive Manager, Regional Services confirmed that they are the same.

TAC RECOMMENDATION(S)

MOVED MR LUTEY

SECONDED MR STEWART-DAWKINS

That:

1. That the 2008/2009 Draft Environmental Services consulting rates, forming attachment 1 to this report, be adopted and be effective as from 1 July 2008.
2. That the relevant fees and charges be advertised in accordance with Section 6.19 of the Local Government Act 1995

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR LAVELL

SECONDED CR ALBERT

THAT:

1. THAT THE 2008/2009 DRAFT ENVIRONMENTAL SERVICES CONSULTING RATES, FORMING ATTACHMENT 1 TO THIS REPORT, BE ADOPTED AND BE EFFECTIVE AS FROM 1 JULY 2008.
2. THAT THE RELEVANT FEES AND CHARGES BE ADVERTISED IN ACCORDANCE WITH SECTION 6.19 OF THE LOCAL GOVERNMENT ACT 1995

CARRIED UNANIMOUSLY

DRAFT Environmental Consulting Rates 2008/2009

	Prior Year Actuals					Proposed	
	2003/2004	2004/05	2005/2006	2006/2007	2007/2008	2008/2009	% Change
<i>Member Council Consulting Fees</i>							
Consultant Executive	\$76.00	\$76.00	\$78.00	\$80.00	\$85.00	\$88.00	3.53%
Consultant Manager				\$70.00	\$75.00	\$78.00	4.00%
Senior Consultant	\$56.00	\$56.00	\$58.00	N/A	\$65.00	\$68.00	4.62%
Consultant	\$54.00	\$54.00	\$56.00	\$58.00	\$58.00	\$60.00	3.45%
Technical Officer	\$39.00	\$39.00	\$40.00	\$42.00	\$44.00	\$46.00	4.55%
<i>Other Organisations Consulting Fees</i>							
Consultant Executive	\$100.00	\$105.00	\$110.00	\$115.00	\$150.00	\$165.00	10.00%
Consultant Manager	\$85.00	\$90.00	\$95.00	\$100.00	\$130.00	\$145.00	11.54%
Senior Consultant	\$85.00	\$90.00	\$95.00	N/A	\$130.00	\$145.00	11.54%
Consultant	\$75.00	\$80.00	\$85.00	\$90.00	\$120.00	\$132.00	10.00%
Technical Officer	\$65.00	\$70.00	\$75.00	\$80.00	\$105.00	\$115.00	9.52%
<i>Internal (EMRC) Consulting Fees</i>							
Consultant Executive	\$87.00	\$90.00	\$90.00	\$90.00	\$95.00	\$98.00	3.16%
Consultant Manager	\$70.00	\$75.00	\$75.00	\$80.00	\$80.00	\$84.00	5.00%
Senior Consultant	\$70.00	\$75.00	\$75.00	N/A	\$80.00	\$83.00	3.75%
Consultant	\$66.00	\$68.00	\$68.00	\$70.00	\$70.00	\$73.00	4.29%
Technical Officer	\$50.00	\$52.00	\$52.00	\$55.00	\$55.00	\$57.00	3.64%

* Note : All Rates are exclusive of GST



9.6 RISK MANAGEMENT CONSULTING RATES AND TRAINING COURSE FEES 2008/2009

REFERENCE: COMMITTEES-7964

PURPOSE OF REPORT

To provide Council with the proposed 2008/2009 Schedule of Fees and Charges for Risk Management Services for adoption.

KEY ISSUES AND RECOMMENDATION(S)

- A small increase in Risk Management consulting rates for member Councils and other clients and users is proposed for 2008/2009.
- With the exception of traffic management training, it is proposed to increase Risk Management training course fees by no more than 4.5% in 2009. Fees for traffic management training are strongly influenced by market forces and the nature of assessment processes as imposed by Main Roads WA.
- The fee for WorkSafe Safety Awareness training is still significantly less than for a standard half day course, largely due to competition in the marketplace as well as the favourable effect of higher numbers.

Recommendation(s)

That:

1. That the 2008/2009 Draft Risk Management Services consulting rates and the Draft Risk Management Services training course fees, forming attachment 1 to this report, be adopted and be effective as from 1 July 2008 and 1 January 2009 respectively.
2. That the relevant fees and charges be advertised in accordance with Section 6.19 of the Local Government Act 1995

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.

Draft fees and charges were presented to Council at its 20 March 2008 meeting, and Council resolved:

THAT THE DRAFT RISK MANAGEMENT CONSULTING RATES AND TRAINING COURSE FEES FORMING ATTACHMENT 1 OF THIS REPORT BE USED FOR THE DEVELOPMENT OF THE 2008/2009 DRAFT BUDGET AND BE REFERRED TO MEMBER COUNCILS FOR CONSIDERATION DURING THE DEVELOPMENT OF THEIR 2008/2009 BUDGETS.

REPORT

The Risk Management Service consulting rates have been increased again to compensate for the impact of inflation and to ensure there is an adequate contribution to EMRC costs. Since inflation experienced in 2007/2008 has been higher than in the previous year, the increases recommended for 2008/2009 are slightly higher and are typically about 4%.



Item 9.6 continued

The consulting rate for Occasional Clients has been increased by 8% to bring this 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 \$73.64 (ex GST) per person is still well below that for a standard half day training session. It is proposed that this fee be increased by 8% with a view to creating a fee that is more appropriate to the numbers attending courses in the next few years. There is also the dual requirement to remain competitive within the market place.

It is recommended that the fees for Traffic Management training remain unchanged for 2008/2009, however changes in Main Roads WA's course requirements could force a change in these fees. Not all Main Roads courses are currently offered due to the lack of availability of specialist Trainers.

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

STRATEGIC/POLICY IMPLICATIONS

Adoption of the draft consulting rates for the preparation of the draft 2008/2009 budget will contribute toward the enabler objective of "Continue to improve corporate financial management".

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

Member Council	Implication Details
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 2008/2009 (Ref: Committees-7573)

VOTING REQUIREMENT

Absolute Majority



Item 9.6 continued

RECOMMENDATION(S)

That:

1. That the 2008/2009 Draft Risk Management Services consulting rates and the Draft Risk Management Services training course fees, forming attachment 1 to this report, be adopted and be effective as from 1 July 2008 and 1 January 2009 respectively.
2. That the relevant fees and charges be advertised in accordance with Section 6.19 of the Local Government Act 1995

Discussion Ensued

Mr Lutey asked if the fees and charges had changed from the draft submitted previously. The Executive Manager, Regional Services confirmed that they are the same.

TAC RECOMMENDATION(S)

MOVED MR LUTEY

SECONDED MR STEWART-DAWKINS

That:

1. That the 2008/2009 Draft Risk Management Services consulting rates and the Draft Risk Management Services training course fees, forming attachment 1 to this report, be adopted and be effective as from 1 July 2008 and 1 January 2009 respectively.
2. That the relevant fees and charges be advertised in accordance with Section 6.19 of the Local Government Act 1995

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR LAVELL

SECONDED CR ALBERT

THAT:

1. THAT THE 2008/2009 DRAFT RISK MANAGEMENT SERVICES CONSULTING RATES AND THE DRAFT RISK MANAGEMENT SERVICES TRAINING COURSE FEES, FORMING ATTACHMENT 1 TO THIS REPORT, BE ADOPTED AND BE EFFECTIVE AS FROM 1 JULY 2008 AND 1 JANUARY 2009 RESPECTIVELY.
2. THAT THE RELEVANT FEES AND CHARGES BE ADVERTISED IN ACCORDANCE WITH SECTION 6.19 OF THE LOCAL GOVERNMENT ACT 1995

CARRIED UNANIMOUSLY

Draft Risk Management Consulting Rates and Training Course Fees 2008/2009

	Prior Years Actuals						Proposed	
	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	% Change
<i>Consulting Fees</i>								
Member Councils (Per Hour)	\$52.00	\$54.00	\$56.00	\$56.00	\$75.00	\$78.00	\$80.91	3.7%
WMRC (Per Hour)	\$82.00	\$86.00	\$88.00	\$88.00	\$90.00	\$92.00	\$95.45	3.8%
Other Organisations – Regular (Per Hour)	\$87.00	\$90.00	\$93.00	\$93.00	\$95.00	\$97.00	\$100.91	4.0%
Other Organisations – Occasional (Per Hour)	\$90.00	\$95.00	\$98.00	\$98.00	\$98.00	\$101.00	\$109.09	8.0%
Internal – EMRC (Per Hour)	\$82.00	\$86.00	\$88.00	\$88.00	\$88.00	\$90.00	\$94.00	4.4%
	2003	2004	2005	2006	2007	2008	2009	% Change
<i>General Safety Training Course Fees</i>								
Half Day (Per Participant)	\$114.55	\$118.18	\$121.82	\$123.64	\$125.45	\$129.21	\$134.55	4.1%
One Day (Per Participant)	\$191.82	\$197.27	\$203.64	\$207.27	\$213.64	\$217.91	\$227.27	4.3%
Two Day (Per Participant)	\$321.82	\$331.82	\$340.91	\$345.45	\$354.55	\$365.19	\$380.00	4.1%
WorkSafe Safety Awareness Training - Construction Industry (Half day)						\$68.18	\$73.64	8.0%
<i>Traffic Management Training Course Fees **</i>								
Basic Worksite Traffic Management	\$118.18	\$118.18	\$118.18	\$118.18	\$124.54	\$188.00	\$170.91	-9.1%
Advanced Worksite Traffic Management	\$154.55	\$159.09	\$159.09	\$390.90	\$410.91	TBA	TBA	N/A
Traffic Controller	\$118.18	\$118.18	\$118.18	\$118.18	\$124.54	\$188.00	\$170.91	-9.1%
Events Traffic Controller course						\$127.27	\$130.91	2.9%
InterCouncil Comparison Scheme (Benchmarking process)						\$36.00 per mth	\$37.50 per mth	4.2%

* Notes: All Rates are exclusive of GST

** Curriculum for Main Roads Advanced courses still to be resolved



9.7 ITEMS CONTAINED IN THE INFORMATION BULLETIN

REFERENCE: COMMITTEES-7901

The following items are included in the Information Bulletin, which accompanies the Agenda.

1 WASTE MANAGEMENT SERVICES

1.1 RED HILL ANNUAL MONITORING AND COMPLIANCE REPORT (Ref: Committees-7902)

RECOMMENDATION

That the Information Bulletin be noted.

Discussion ensued

The Executive Manager, Waste Management Services summarised the report.

Mr Riley asked whether pumping out the leachate would capture nutrients. The Executive Manager, Waste Management Services said that this is one option, and the consultancy will explore all options. The Executive Manager, Regional Services said that local groundwater is in fractured rock making pumping solutions quite complex.

TAC RESOLUTION(S)

MOVED MR RILEY

SECONDED MR COTEN

THAT THE INFORMATION BULLETIN BE NOTED.

CARRIED UNANIMOUSLY



10 CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

Nil

11 GENERAL BUSINESS

Mr Lutey asked if the October TAC meeting is going to be held at Red Hill as the last meeting of the year normally is. The Executive Manager, Corporate Services said the dates will be checked and updated for the next meeting.

12 FUTURE MEETINGS OF THE TECHNICAL ADVISORY COMMITTEE

The next meeting of the Technical Advisory Committee will be held on **Thursday 5 June 2008** at the EMRC Administration Office, 1st Floor, Ascot Place, 226 Great Eastern Highway, Belmont WA 6104 commencing at 3.30 pm.

Future Meetings 2008

Thursday	5 June	at	EMRC Administration Office
Thursday	7 August	at	EMRC Administration Office
Thursday	9 October	at	EMRC Administration Office

13 DECLARATION OF CLOSURE OF MEETING

There being no further business, the Chairman declared the meeting closed at 4.07pm.