

TECHNICAL ADVISORY COMMITTEE

MINUTES

10 April 2008

(REF: COMMITTEES-7703)

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, 10 April 2008**. The meeting commenced at **3.30pm**

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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 Mahesh Singh	Executive Manager, Engineering Services	Shire of Kalamunda
Mr Ken Goldsworthy (Deputising for Mr Stewart-Dawkins)	Manager, Health & Environmental Services	Town of Bassendean
Mr James Riley (Deputy)	Manager, Environmental Health	City of Bayswater
Mr Ric Lutey	Acting Chief Executive Officer	City of Belmont
Mr Shane Purdy	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

Apologies

Mr Simon Stewart-Dawkins	Director Operational Services	Town of Bassendean
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EMRC Officers

Mr Adam Johnson	Executive Manager, Waste Management Services
Mr Stephen Fitzpatrick	Manager, Project Development
Mr Peter Schneider	Executive Manager, Corporate Services
Mr Rob Medbury	Manager, Risk Management Service
Ms Jo Eva	Administration Officer (Minutes)

EMRC Apologies

Mr Mick McCarthy	Executive Manager, Regional Services
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Guest

Mr Bruce Bowman	Bruce Bowman and Associates
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3 DISCLOSURE OF INTERESTS

Nil

4 ANNOUNCEMENT BY THE CHAIRMAN OR PERSON PRESIDING WITHOUT DISCUSSION

Nil

5 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

5.1 MINUTES OF TECHNICAL ADVISORY COMMITTEE MEETING HELD ON 6 MARCH 2008

That the Minutes of the Technical Advisory Committee meeting held on 6 March 2008, which have been distributed, be confirmed.

TAC RESOLUTION(S)

MOVED MR GOLDSWORTHY SECONDED MR COTEN

THAT THE MINUTES OF THE TECHNICAL ADVISORY COMMITTEE MEETING HELD ON 6 MARCH 2008, WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY



6 PRESENTATIONS

The Executive Manager Waste Management Services introduced Mr Bruce Bowman from Bowman and Associates. Mr Bowman presented a summary of the consultancy service he is going to provide to the EMRC in regard to a regional waste collection contract.

Mr Bowman explained that the initial consultancy would begin with the six Member Councils to gauge what changes might occur in the future and their desired outcomes from their collection services. Once this information is gathered it will then be used to structure a cost matrix on a regional basis. Current information will be keyed into a spreadsheet, and the spreadsheet then reconciled with the current waste budget, checked with each Council to ensure the information is correct and then used to calculate the costs for the next five years to work out charges to households.

The consultancy would link closely with the Resource Recovery Project. The Executive Manager Waste Management Services reminded the group that this initiative comes from the Regional Collection Steering Group. The initiative of the consultancy work is to investigate if a regional collection contract is viable; it is not a business plan or feasibility study.

Mr Riley advised that the adoption of a regional waste collection contract would ensure that Councils have one common treatment option. Mr Bowman advised that a regional contract lead up time may take years in order to integrate contracts. The Chief Executive Officer advised that in the past they had tried to align the timeline of the contracts.

Mr Goldsworthy asked if the consultancy was considering EMRC operation of the collection fleet. The Executive Manager Waste Management Services said that it is.

The Executive Manager Waste Management Services advised that, as agreed by the group, he would send Mr Bowman all members contact details in order to advance the project.

Mr Bowman thanked the meeting for allowing him to present his summary and left the room at 3.45pm.

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

Nil

8 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



9 REPORTS OF OFFICERS

9.1 OPERATION OF SHIRE OF MUNDARING TRANSFER STATIONS

REFERENCE: COMMITTEES-7752

PURPOSE OF REPORT

To advise Council of a request from the Shire of Mundaring for the EMRC to operate the Shire of Mundaring Waste Transfer Stations.

KEY ISSUES AND RECOMMENDATION(S)

- The EMRC currently operates the Walliston Transfer Station on behalf of the Shire of Kalamunda.
- The Shire of Mundaring has waste transfer stations in Mundaring, Chidlow and Wooroloo. The transfer stations are currently run by contractors for the Shire of Mundaring.
- All transfer station operation contracts expire on 30 June 2008, and the Shire of Mundaring has asked if the EMRC would operate the transfer stations on behalf of the Shire of Mundaring.
- Taking over the Shire of Mundaring transfer station operations would enable existing synergies in EMRC waste facility operations to be further developed.
- If the EMRC took over the transfer station operations, a new truck and bins would need to be purchased in the 2007/08 financial year. These purchases have not been budgeted.

Recommendation(s)

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.

SOURCE OF REPORT

Executive Manager, Waste Management Services

BACKGROUND

The EMRC took over the operation of the Shire of Kalamunda Transfer Station on Lawnbrook Road, Walliston on 1 January 2007. The transfer station has operated on the basis of cost plus ten percent.

At its meeting on 25 March 2008, the Shire of Mundaring resolved that:

"THE SHIRE'S WASTE TRANSFER STATIONS BE RUN BY THE EMRC EFFECTIVE 1ST JULY 2008 AT COST PLUS TEN PERCENT OVERHEAD RECOVERY."



Item 9.1 continued

REPORT

The EMRC currently operates its own waste facilities at Red Hill and Hazelmere (timber only), and operates the Walliston Transfer Station on behalf of the Shire of Kalamunda. Additional facilities enable synergies to be developed between the various operations, with overall improvements to service provision achieved.

The Walliston Transfer Station is operated on the basis of cost plus ten percent, and no significant capital outlays were required for the operation of the site. Since commencing operations in January 2007, new recycling services have been introduced and enthusiastically adopted by users of the site. The overall cost of running the site in 2007 was kept to the same level as previous years when contractors ran the site, notwithstanding the EMRC being required to utilise the former contractor to transport waste until the EMRC could take delivery of new waste bins. Costs for 2008 are projected to be significantly lower than 2007, representing an overall saving for the Shire of Kalamunda.

The Shire of Mundaring is seeking EMRC operation of the Coppin Road Transfer Station in Mundaring and the Mathieson Road Transfer Station in Chidlow. Whilst the Shire of Mundaring has not yet made a decision on the future of operations at the Mayo Road Transfer Station in Wooroloo, it is likely that ongoing operations would be using the current contractor rather than the EMRC. The EMRC may be asked to provide assistance in supervision of operations and coordination of waste recycling services.

Additional infrastructure requirements have also been identified to bring the sites up to a suitable level for EMRC operations. These include a gatehouse at the Coppin Road site, a lunch room and toilet at Mathieson Road, as well as some hardstand and fencing work at Mathieson Road. The Shire of Mundaring has indicated that it is able to construct these works itself.

Taking over operation of the two sites means that the EMRC will need to purchase or hire new plant and equipment. In particular, two loaders, one truck and eight waste bins have been identified for purchase. The total capital cost is in the order of \$600,000. Each loader would be permanently on site, as would the eight bins (four for each site). An option is for the Shire of Mundaring to supply the loaders itself. If the Shire did decide to own the loaders, the cost of operations would clearly be reduced, and the initial EMRC capital outlay would be reduced to \$300,000.

The purchase of the truck and bins has not been provided for in the current budget, and Council approval is required for their inclusion in the budget. Furthermore, the source of funding is yet to be determined, and may include borrowing from EMRC reserves, the provision of a self-supporting loan by the Shire of Mundaring to the EMRC, or the EMRC taking out a loan with the Shire of Mundaring as loan guarantor.

The new truck together with the existing EMRC hooklift truck would service the two Mundaring sites along with the Kalamunda and Hazelmere sites. The new truck would need to be an EMRC asset to reflect the fact that it could be utilised at any one of four sites. The cost of truck use would be apportioned to each site on the basis of an hourly rate for use.

A cost estimate has been prepared for the operation of the Coppin and Mathieson Road facilities, and this estimate has indicated that the overall costs would be about the same as current operations in the event that the EMRC purchases the truck and bins. In the event that the truck is hired, the additional costs to the Shire of Mundaring are substantial.

The staffing requirement for the two sites has been estimated to be three staff for Coppin Road and two for Mathieson Road. The current EMRC Supervisor for the Hazelmere Timber Recycling Centre and the Walliston Transfer Station would supervise the two Shire of Mundaring sites, and the current administration personnel servicing Hazelmere and Walliston would also provide administration support for the new sites.

EMRC supervision of the Mayo Road operations at Wooroloo would result in no change to the general waste operations, but would ensure that a recycling service is provided and utilised to the extent possible. Over time, this might enable changes to the general waste service.



Item 9.1 continued

Further negotiations are required with the Shire of Mundaring in relation to the overall level of service required, and these negotiations will be ongoing as part of the site operations. In particular, negotiations are required for handover between the existing contractor and the EMRC, as well as service provision whilst the capital plant is on order, noting that there can be a delay of up to six months in delivering plant once ordered.

STRATEGIC/POLICY IMPLICATIONS

The operation of the sites is expected to further 'reduce the environmental impact of waste management', and would be consistent with the proposed new business area of "Integrated Waste Management" identified at the recent strategic planning sessions.

FINANCIAL IMPLICATIONS

The transfer stations will be operated on the basis of cost plus ten percent, and thus will not represent a negative financial implication for the EMRC. Overall income for the EMRC after costs is expected to be in the order of \$70,000 per year.

In the event that the EMRC provides all plant, the EMRC capital outlay would be \$600,000 for the purchase of loaders, a new hooklift truck and eight new waste transfer bins. In the event that the Shire of Mundaring provided loaders, the EMRC capital outlay would be \$300,000. The source of this capital may include borrowing from EMRC reserves, the provision of a self-supporting loan by the Shire of Mundaring to the EMRC, or the EMRC taking out a loan with the Shire of Mundaring as loan guarantor.

SUSTAINABILITY IMPLICATIONS

Retaining and improving operations of waste transfer stations provides environmental and social benefits to residents in the Mundaring and Chidlow areas. Providing these facilities at a similar or reduced cost also provides financial benefits to the Shire of Mundaring.

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	} Nil
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
	EMRC operation of Shire of Mundaring Transfer Stations, leading to improved site operation. The Shire of Mundaring may decide to purchase loaders for the site operations, and may be asked to either provide a self-supporting loan or a loan guarantee in the event that the EMRC is unable to fund capital purchases through internal funding.
City of Swan	Nil

ATTACHMENT(S)

Nil



Item 9.1 continued

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

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.

Discussion ensued

Mr Goldsworthy asked the Chairman if Kalamunda is happy with EMRC operation of the Kalamunda Transfer Station. The Chairman replied that they were.

Mr Coten questioned the Shire of Mundaring resolution detailed on page 2 of the report regarding the costs of overheads. He said the recommendation states that the EMRC will charge the Shire of Mundaring on the basis of cost plus 10 percent.

Mr Coten said it reads as operating costs inclusive of overheads, plus 10 percent. The difference is whether or not the 10 percent includes overheads. After some discussion, it was agreed that the direct costs including administration directly related to the project, are subject to the 10 percent margin. The margin covers remaining overheads and indirect costs.

TAC RECOMMENDATION(S)

MOVED MR GOLDSWORTHY SECONDED MR LUTEY

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.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR LAVELL SECONDED CR GODFREY

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.

CARRIED UNANIMOUSLY



9.2 TENDER 2008/3 – HIRE OF VARIOUS PLANT

REFERENCE: COMMITTEES-7754

Discussion ensued

After brief discussion the committee members felt that it was best to defer this report item to the next Technical Advisory Committee meeting to be held on the 8 May 2008 in order to clarify information included in Attachment 1 'The Table of Charges'. The Executive Manager Waste Management Services advised he will amend the table, and the new report will contain more explanatory information.

Mr Coten left the room at 3.59pm and re-entered the room at 4:01pm

TAC RESOLUTION(S)

MOVED MR LUTEY

SECONDED MR GOLDSWORTHY

That the report item 9.2 Tender 2008/3 Hire of Various Plant be deferred to the next meeting on the 8 May 2008 of the Technical Advisory Committee.

CARRIED UNANIMOUSLY



9.3 ITEMS CONTAINED IN THE INFORMATION BULLETIN

REFERENCE: COMMITTEES-7765

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

1 REGIONAL SERVICES

1.1 RISK MANAGEMENT SERVICE REPORT (Ref: Committees- 7764)

Discussion ensued

The Chief Executive Officer asked the Manager Risk Management Services about the cost of claims this year. The Manager Risk Management Services replied the total costs of claims for this year are down on 06/07, with the estimate on claims this year being \$350,400. The Chief Executive Officer noted that it would be interesting to look at a number of years and compare the cost with current costs.

2 WASTE MANAGEMENT SERVICES

2.1 COUNCIL TONNAGE COMPARISONS AS AT FEBRUARY 2008 (Ref: Committees-7729)

2.2 RECYCLING STATISTICS FOR THE 2007/2008 FINANCIAL YEAR (Ref: Committees-7728)

RECOMMENDATION

That the Information Bulletin be noted.

TAC RESOLUTION(S)

MOVED MR LUTEY

SECONDED MR PURDY

THAT THE INFORMATION BULLETIN BE NOTED.

CARRIED

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

Nil

11 GENERAL BUSINESS

Mr Purdy asked for an update on the Strategic Waste Management Plans. The Executive Manager Waste Management Services advised that meeting times had been arranged with five of the Member Councils and that a meeting was yet to be arranged with the Shire of Kalamunda. He advised that there had been no response from the Department of Environment and Conservation regarding EMRC's request for an extension on the plans until the end of the year. The Executive Manager Waste Management Services said that MWAC have had approval of their request for extension to the end of September. The Executive Manager Waste Management Services advised that this deadline is achievable.



12 FUTURE MEETINGS OF THE TECHNICAL ADVISORY COMMITTEE

The next meeting of the Technical Advisory Committee will be held on **Thursday 8 May 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	8 May	at	EMRC Administration Office
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 4.16pm.