

RESOURCE RECOVERY COMMITTEE

MINUTES

5 June 2008

(REF: COMMITTEES-7713)

A meeting of the Resource Recovery Committee was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 5 June 2008**. The meeting commenced at **5.00pm**.

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 RESOURCE RECOVERY COMMITTEE MEETING HELD ON 13 MARCH 2008 (Ref: Committees-7551)</i>	2
6	PRESENTATIONS	2
6.1	<i>CONFIDENTIAL PRESENTATION ON EMRC RISK ASSESSMENT RESOURCE RECOVERY PROJECT</i>	2
7	ANNOUNCEMENT OF CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC	3
8	BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING	3
9	REPORTS OF OFFICERS	4
9.1	<i>PROGRESS REPORT ON RESOURCE RECOVERY INITIATIVES (Ref: Committees-8071)</i>	4
9.2	<i>CONSULTANCY CONTRACT PROGRESS REPORT (Ref: Committees-8074)</i>	15
9.3	<i>WASTE EDUCATION PROGRESS REPORT (Ref: Committees-8076)</i>	63
9.4	<i>WASTE MANAGEMENT COMMUNITY REFERENCE GROUP PROGRESS REPORT (Ref: Committees-8102)</i>	83
10	CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC	104
11	GENERAL BUSINESS	104
12	FUTURE MEETINGS OF THE RESOURCE RECOVERY COMMITTEE	104
13	DECLARATION OF CLOSURE OF MEETING	104



1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 5.00 pm and welcomed Mr Bill Marchbank to his first RRC meeting.

Cr Albert entered the meeting at 5.00 pm.

2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

Committee Members

Cr David Lavell (Chairman)	EMRC Member	Shire of Mundaring
Cr Tina Klein	EMRC Member	Town of Bassendean
Mr Simon Stewert-Dawkins	Director Operational Services	Town of Bassendean
Cr Sylvan Albert	EMRC Member	City of Bayswater
Mr James Riley (Deputising for Mr Rimpas)	Manager Environmental Health	City of Bayswater
Cr Glenys Godfrey	EMRC Member	City of Belmont
Mr Ric Lutey	Director Technical Services	City of Belmont
Cr David Sadler	EMRC Member	Shire of Kalamunda
Mr Mahesh Singh	Executive Manager, Engineering Services	Shire of Kalamunda
Mr Shane Purdy	Executive Manager, Infrastructure Services	Shire of Mundaring
Cr David Färdig (Deputising for Cr Zannino)	EMRC Member	City of Swan
Mr Jim Coten	Executive Manager, Operational and	City of Swan
Mr Gavin Watters	Chief Executive Officer	EMRC

Apologies

Cr Charlie Zannino	EMRC Member	City of Swan
Mr George Rimpas	Acting Director Technical Services	City of Bayswater

EMRC Officers

Mr Stephen Fitzpatrick	Manager, Project Development
Mr Adam Johnson	Executive Manager, Waste Management Services
Ms Gabrielle Grime	Waste Education Coordinator
Ms Mary-Ann Winnett	PA to Executive Manager Corporate Services (Minutes)

EMRC Apologies

Apologies - Mr Peter Schneider	Executive Manager, Corporate Services
--------------------------------	---------------------------------------

Consultants

Mr John King (to 6.39pm)	Cardno BSD
Ms Megan Haines (to 6.39pm)	Cardno BSD
Mr Bill Marchbank (to 6.39pm)	Cardno BSD

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 THE RESOURCE RECOVERY COMMITTEE MEETING HELD ON 13 MARCH 2008

That the Minutes of the Resource Recovery Committee meeting held on 13 March 2008, which have been distributed, be confirmed.

RRC RESOLUTION(S)

MOVED CR GODFREY SECONDED CR SADLER

THAT THE MINUTES OF THE RESOURCE RECOVERY COMMITTEE MEETING HELD ON 13 MARCH 2008, WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY

6 PRESENTATIONS

6.1 CONFIDENTIAL PRESENTATION ON EMRC RISK ASSESSMENT RESOURCE RECOVERY PROJECT

A presentation was provided to the Committee and questions from members responded to by Mr John King, Managing Director of Cardno BSD.

RECOMMENDATION (Closing meeting to the public)

That the meeting be closed to members of the public in accordance with Section 5.23 (2) (c) of the Local Government Act for the purpose of dealing with matters of a confidential nature.

RRC RESOLUTION(S)

MOVED CR FÄRDIG SECONDED CR KLEIN

THAT THE MEETING BE CLOSED TO MEMBERS OF THE PUBLIC IN ACCORDANCE WITH SECTION 5.23 (2) (C) OF THE LOCAL GOVERNMENT ACT FOR THE PURPOSE OF DEALING WITH MATTERS OF A CONFIDENTIAL NATURE.

CARRIED UNANIMOUSLY

RECOMMENDATION [Meeting re-opened to the public]

That the meeting be re-opened, the public be invited to return to the meeting and the recommendations passed behind closed doors be recorded.

RRC RESOLUTION(S)

MOVED CR KLEIN SECONDED MR LUTEY

THAT THE MEETING BE RE-OPENED, THE PUBLIC BE INVITED TO RETURN TO THE MEETING AND THE RECOMMENDATIONS PASSED BEHIND CLOSED DOORS BE RECORDED.

CARRIED UNANIMOUSLY



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 PROGRESS REPORT ON RESOURCE RECOVERY INITIATIVES

REFERENCE: COMMITTEES-8071

PURPOSE OF REPORT

The purpose of this report is to keep Council informed of continuing progress on Resource Recovery Processing Initiatives.

KEY ISSUES AND RECOMMENDATION(S)

Recommendation(s)

That the report be received.

SOURCE OF REPORT

Manager Project Development

BACKGROUND

At the Council meeting of 24 August 2000, Council adopted the following resolutions:

- “1. THAT THE EMRC UNDERTAKE A STUDY TO DETERMINE THE RANGE OF COMMERCIAL AND FINANCING OPTIONS AVAILABLE TO THE EMRC FOR ITS INVOLVEMENT IN THE SECONDARY WASTE TREATMENT FACILITY.*
- 2. THAT THE EMRC REQUEST THE OPPORTUNITY FOR EACH MEMBER COUNCIL TO RECEIVE A PRESENTATION REGARDING THE TECHNOLOGIES, COSTS, NEED FOR STAGED COMMITMENTS ETC FOR THE INTRODUCTION OF A SECONDARY WASTE TREATMENT FACILITY.*
- 3. THAT AN OVERSEAS STUDY TOUR OF OPERATING SECONDARY WASTE TREATMENT FACILITIES BY OFFICERS AND COUNCILLORS OF THE EMRC, TO BE DETERMINED AT A LATER DATE, FOLLOWING A DESKTOP STUDY OF SUITABLE LOCATIONS AND PREFERABLY IN CONJUNCTION WITH AN INTERNATIONAL WASTE MANAGEMENT CONFERENCE.*
- 4. THAT SUBJECT TO THE PROVISION OF A COPY OF THE REPORT SECONDARY TREATMENT FEASIBILITY STUDY, AS COMMISSIONED BY MINDARIE REGIONAL COUNCIL, A REPORT ON ITS CONTENT AND APPLICATION TO THE EMRC’S PROPOSED ACTIVITIES BE PROVIDED.*
- 5. THAT A CONSULTANT BE ENGAGED TO PROCEED WITH THE RED HILL DEVELOPMENT ‘MASTER PLAN’ INCLUDING A REVIEW AND RECOMMENDATION FOR AN APPROPRIATE SITE FOR A SECONDARY WASTE PROCESSING FACILITY AND THE PROVISION OF A PROGRAM TO INTRODUCE SECONDARY WASTE TREATMENT.*
- 6. THAT A PROGRAMME BE DEVELOPED FOR THE COMMUNITY CONSULTATION NECESSARY FOR THE INTRODUCTION OF A SECONDARY WASTE TREATMENT FACILITY FOR THE EMRC.*
- 7. THAT A DETAILED REPORT BE PREPARED ON THE CONTENT AND SIGNIFICANCE TO THE EMRC OF THE “REPORT OF THE ALTERNATIVE WASTE MANAGEMENT TECHNOLOGIES AND PRACTICES INQUIRY” FROM NEW SOUTH WALES.*



Item 9.1 continued

8. *THAT A DETAILED REPORT BE PREPARED ON THE CONTENT AND SIGNIFICANCE TO THE EMRC OF THE "REPORT OF THE ALTERNATIVE WASTE MANAGEMENT TECHNOLOGIES AND PRACTICES INQUIRY" FROM NEW SOUTH WALES.*
9. *THAT A SECONDARY WASTE PROCESSING RESERVE BE ESTABLISHED AND STAFF PROVIDE A RECOMMENDATION OF THE INITIAL AMOUNT TO BE TRANSFERRED TO THAT RESERVE TAKING INTO ACCOUNT THE ADDITIONAL TIPPING FEES IMPOSED EFFECTIVE FROM 1 JULY 1999.*
10. *THAT THE EMRC START PUBLIC EDUCATION AND CONSULTATION FOR ALL MEMBER COUNCIL RESIDENTS ON PLANS FOR SECONDARY WASTE TREATMENT AS SOON AS PRACTICABLE."*

The nine resolutions from the 24 August 2000 Council meeting have been reported on in all subsequent meetings of the SSWTC and are complete with the exception of resolution 3, which has been incorporated into the project schedule for the resource recovery technology selection.

At the Council meeting of 26 April 2001, Council resolved the following:

"THAT THE REPORT BE RECEIVED AND THE ATTACHMENT BE UPDATED FOR EACH MEETING OF THE STRATEGIC AND SECONDARY WASTE TREATMENT COMMITTEE".

At the Council meeting of 20 May 2004, Council resolved the following:

"THAT A NUMBER OF INTERESTED EMRC COUNCILLORS WITH EMRC OFFICERS ATTEND GLOBAL RENEWABLES LIMITED, EASTERN CREEK, NSW FACILITY WITHIN SIX (6) MONTHS OF THE FACILITY OPENING."

Report item 9.3 of the SSWTC agenda for 8 June 2006 reported on the EMRC visit to GRL Eastern Creek and other resource recovery facilities in the eastern states, satisfying this resolution.

REPORT

The resource recovery initiatives being undertaken elsewhere in Australia currently include:

- Southern Metropolitan Regional Council, RRRC Project, Canning Vale;
- South Eastern Metropolitan Regional Council, Resource Recovery Project;
- Atlas Waste Treatment Facility, Mirrabooka;
- Mindarie Regional Council (MRC), Resource Recovery Project;
- Ti Tree Bioenergy Project, Queensland;
- Veolia Woodlawn Bioreactor Project, NSW;
- Global Renewables Limited (GRL), Eastern Creek, NSW;
- AnaeCo (formerly ORT), Shenton Park;
- Coffs Harbour City Council Alternative Waste Treatment (AWT) plant and
- WSN Environmental Solutions, South Sydney, AWT facility.

Progress reports on these initiatives are attached.



Item 9.1 continued

Other Resource Recovery Facilities operating in Australia include:

- EarthPower, Camelia facility which converts food waste to methane and fertiliser and was visited by the Manager Project Development in July 2007;
- Rethmann Integrated Waste Management Facility, Port Macquarie which converts green waste and biosolids to compost; and
- Cairns Bedminster facility now owned and operated by SITA CEC Environmental Solutions.

These facilities were reported in agenda item 10.1 of the RRC 14 June 2007 meeting.

A pyrolysis technology has been developed by Best Energies in Gosford, NSW and is operating as a pilot plant. The Manager Project Development visited the pilot plant as part of the Waste Management Association of Australia Energy from Waste Conference in Sydney in July 2007 (refer RRC report item 9.3).

With the WSN Environmental Solutions AWT facility in Sydney being commissioned in July, opportunities for a future visit to this plant will be explored. The visit could also include some of the other NSW AWT facilities including the Rethmann facility at Port Macquarie, EarthPower at Camelia, the Coffs Harbour facility and the Best Energy plant at Gosford.

STRATEGIC/POLICY IMPLICATIONS

The Resource Recovery Facility is part of the strategic plan for sustainable waste management for the region.

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	} Nil direct implication for member Councils
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

FINANCIAL IMPLICATIONS

All Resource Recovery Project activities are accounted for in the annual budget approved by Council.

SUSTAINABILITY IMPLICATIONS

The Resource Recovery Project is aimed at reducing greenhouse gas emissions from the EMRC's waste disposal operations to meet national targets for greenhouse gas emissions and State targets for reduction of waste to landfill.

ATTACHMENT(S)

1. Progress on Resource Recovery Initiatives in Australia as at 31 January 2008
(Ref: Committees-8071)
2. WMRC Project Update (Ref: Committees: 8124)



Item 9.1 continued

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That the report be received.

The Manager Project Development referred members to Attachment 2 to this report, the progress on the WMRC project and photos of the development, and advised that the project would be finishing soon and tours of the facility were included in the Waste and Recycle Conference in September 2008.

RRC RECOMMENDATION(S)

MOVED CR FÄRDIG

SECONDED CR ALBERT

That the report be received.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR ALBERT

SECONDED CR KLEIN

THAT THE REPORT BE RECEIVED.

CARRIED UNANIMOUSLY



Attachment 1 to RRC/Council – 5/19 June 2008 Item 9.1

PROGRESS REPORTS ON RESOURCE RECOVERY INITIATIVES IN AUSTRALIA AS AT 31 MAY 2008

Southern Metropolitan Regional Council (SMRC), Regional Resource Recovery Centre (RRRC) Project, Canning Vale

The SMRC's waste composting facility is operating at its design capacity. RRC Councillors and officers and WMCRG members enjoyed a visit to the RRRC to inspect the waste composting facility and the new MRF on 8 May 2008.

South Eastern Metropolitan Regional Council (SEMRC), Resource Recovery Project

No further progress to report.

Atlas Waste Treatment Facility, Mirrabooka

No further progress to report.

Mindarie Regional Council (MRC), Resource Recovery Project

Construction of the waste composting facility at the Neerabup Industrial Area has started with completion due by mid-2009.

Ti Tree Bioenergy Project, Queensland

No further progress to report.

Veolia Woodlawn Bioreactor Project, NSW

No further progress to report.

Global Renewables Limited (GRL), Eastern Creek, NSW

GRL were a finalist in the World Environment Day awards for 2008, under the category of *Sustainability Victoria* Meeting the Greenhouse Challenge Award, for the UR-3R process.

AnaeCo (formerly ORT), Shenton Park

Construction of Stage 1 of the WMRC facility commenced in September 2007 and will be completed in July 2008. Tours of the facility are included in the 2008 Waste & Recycle Conference program in early September (refer Attachment 2).

Coffs Harbour City Council, Alternative Waste Treatment (AWT) Plant

No further progress to report.

WSN Environmental Solutions, South Sydney, AWT Facility

The alternative waste technology (AWT) facility at WSN Macarthur Resource Recovery Park will start commissioning in July 2008. The plant will go through a nine-month commissioning period and is expected to be fully operational in March 2009.

Stage 1 Construction Update

30 APRIL 2008

Since the previous update on 4th March (just after delivery of the tank bottom section to site) there has been further considerable progress with fabrication and construction.

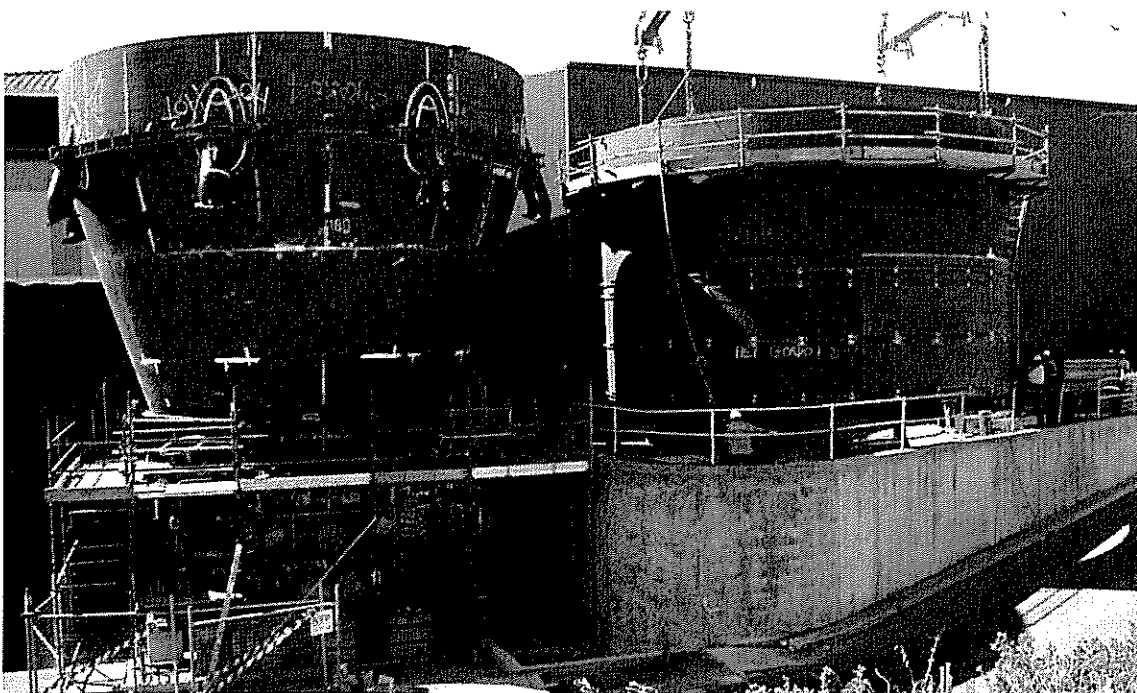
All sections of the DiCOM vessel have now been installed, and the complete vessel at the rear of the transfer station makes an impressive sight.

Other work completed in the period includes;

- Installation of electrical cabling
- Installation of walkways and stands for major equipment
- Offsite fabrication of conveyors systems, trommel and other MRF (material recovery facility) equipment.
- Delivery of MRF equipment to site commenced (pumps, valves, belt conveyor systems).
- Offsite work on the process control systems.

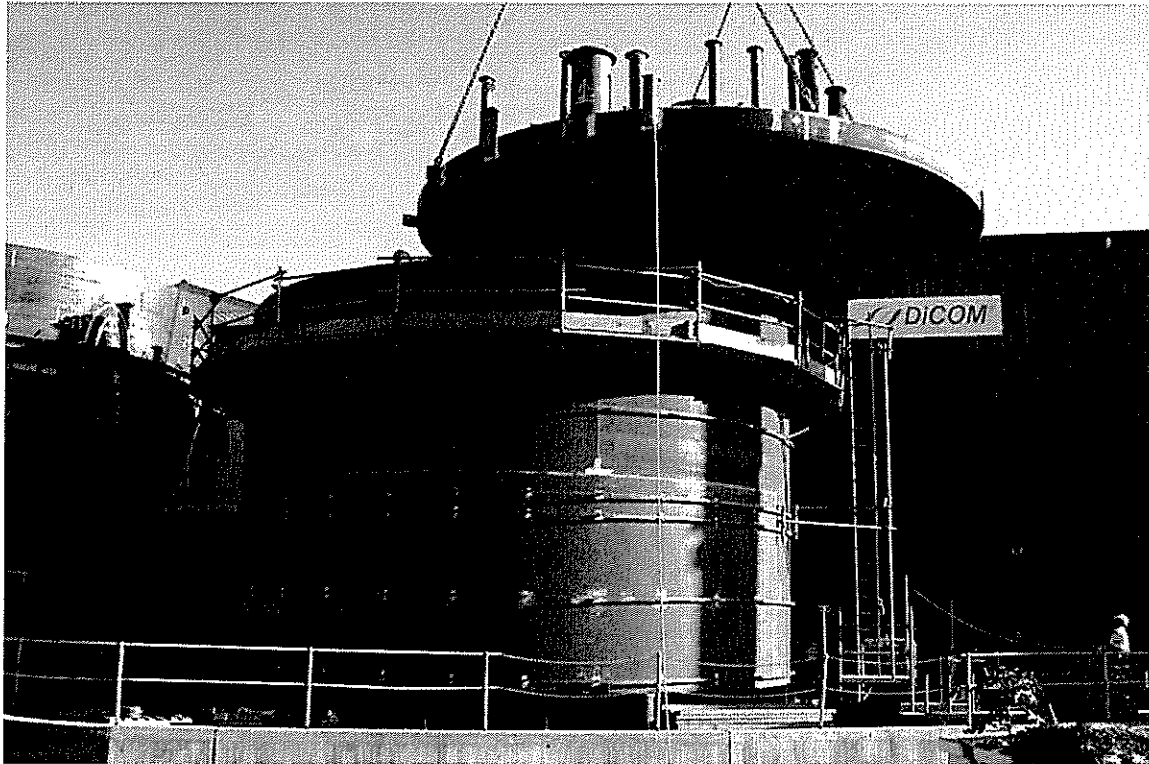
The construction programme is now in its final stages with there only being 2 months remaining until mechanical completion. Accordingly in coming weeks there will be high activity completing construction and installation of all equipment. At 30 April the construction site has been operating for more than 200 days and we are proud to report zero lost time injuries.

The following selection of photographs illustrates progress since the previous update on 4 March 2008.



1. Lower part of DiCOM vessel in place on top of tank bottom section, and upper part of vessel adjacent to the right.

30 APRIL 2008



2. Top of DiCOM vessel being lifted onto the upper part.



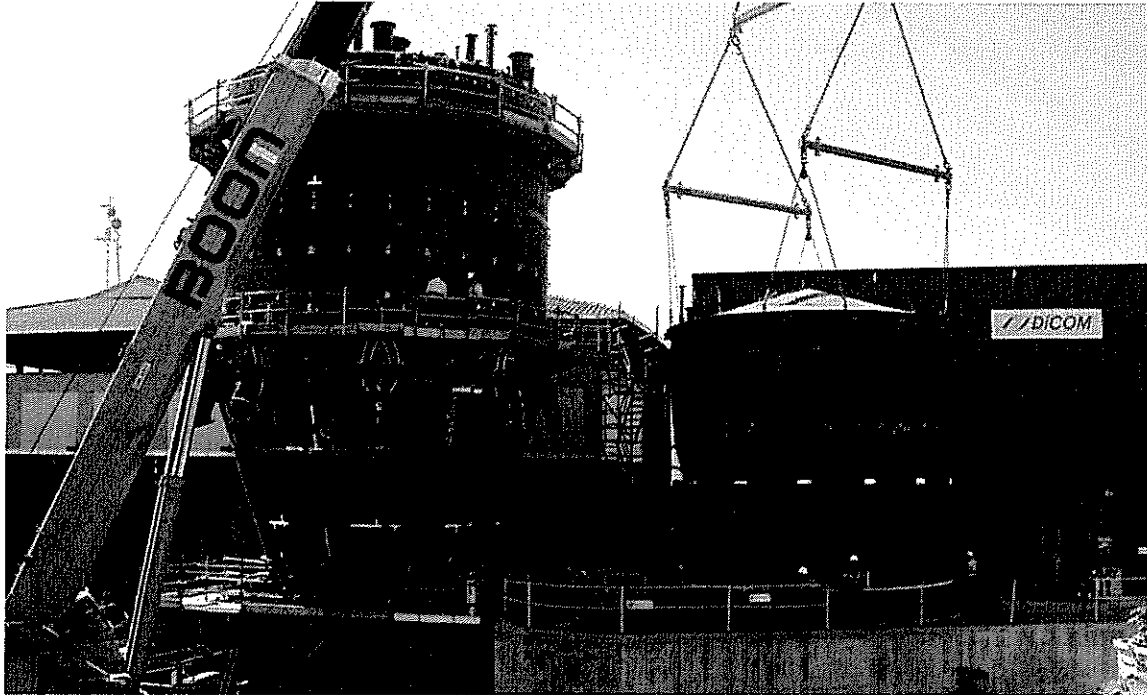
3. Upper part of DiCOM vessel with top section in place, being lifted onto lower part.

30 APRIL 2008

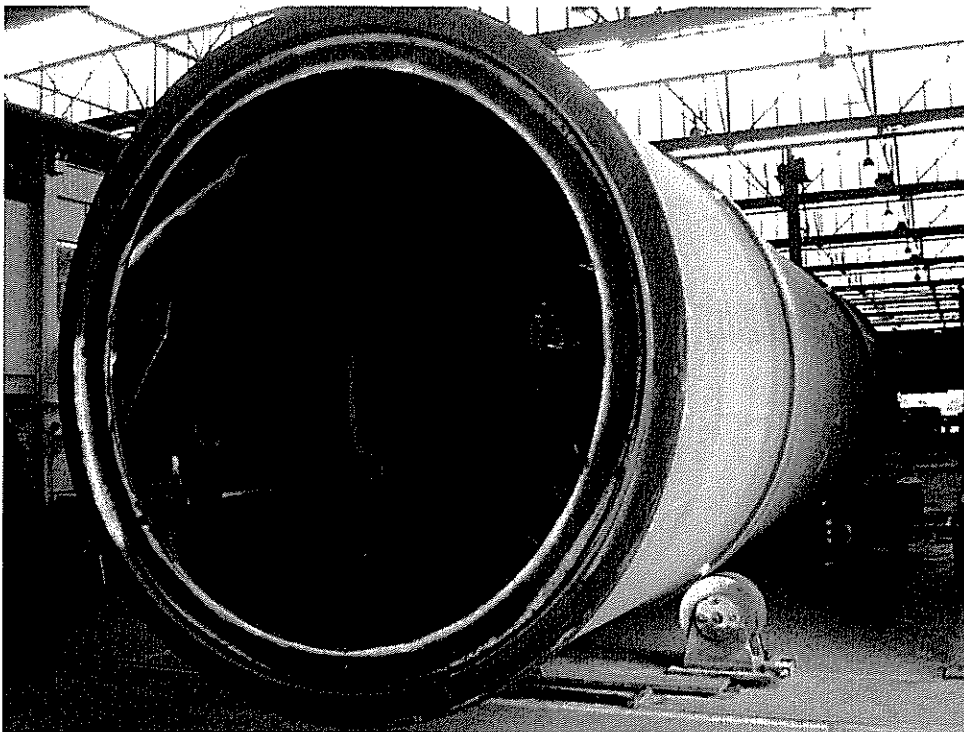


4. DiCOM vessel – all sections complete.

30 APRIL 2008

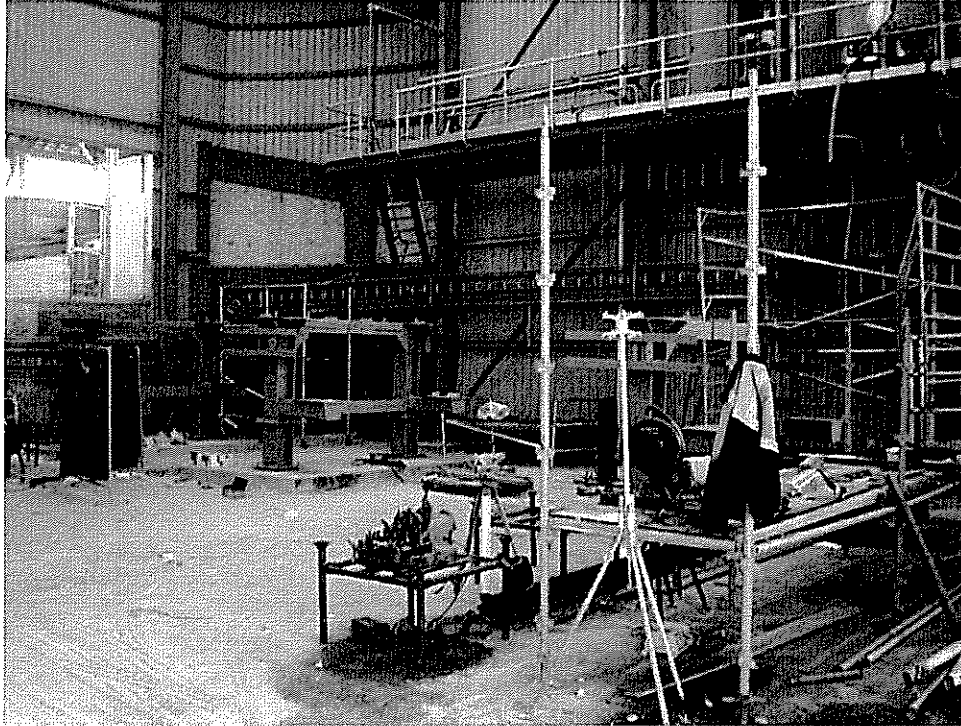


5. Complete DiCOM vessel and water storage tank adjacent to the right. During the Stage 1 performance trials water will be passed between the DiCOM vessel and the water storage tank.



6. MRF trommel in fabrication workshop.

30 APRIL 2008

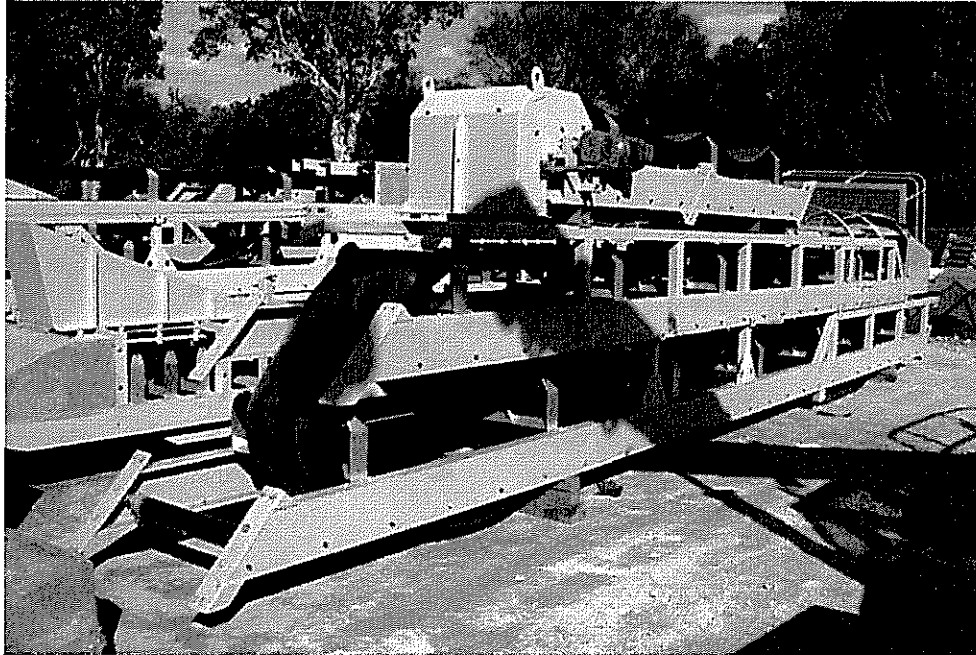


7. Inside MRF shed. Walkways and electrical cabling installed. Stands for the trommel in position.



8. Yard at transfer station showing delivered equipment awaiting installation. This includes conveyor systems on truck waiting to be unloaded.

30 APRIL 2008



9. Close up view of belt conveyors.



9.2 CONSULTANCY CONTRACT PROGRESS REPORT

REFERENCE: COMMITTEES-8074

PURPOSE OF REPORT

To inform Council of the consultants' (Cardno BSD/Meinhardt) progress on the Resource Recovery Project Consultancy Contract.

KEY ISSUES AND RECOMMENDATION(S)

- The Project Advisory Group (PAG) met on 6 February, 13 March and 10 April 2008. These meetings have particularly focused on the EMRC RRF Preferred Options Report feedback.
- Meetings between the Cardno BSD Project team and EMRC officers were held in April and May to review the Commercial & Technical Risk Review facilitated by Worley in 2002 and its applicability to the analysis of contract delivery mechanisms.
- Work is proceeding to endeavour to quantify the risks for the contract delivery mechanisms and this will be presented to the RRC at the July meeting.
- Legal advice has been sought on the ability of the EMRC to enter into a joint venture arrangement for the Resource Recovery Facility (RRF) technology, this being one of the contract delivery mechanism options.

Recommendation(s)

That the report be received.

SOURCE OF REPORT

Manager Project Development

BACKGROUND

The Request for Tender (RFT) 2004/1 was advertised on 1 May 2004 and closed on 28 May 2004 resulting in the receipt of four tenders. After detailed evaluation, interview of the complying tenderers and consideration by members of the Technical Advisory Committee (TAC) acting as a review panel, it was resolved on 23 September 2004 that:

- "1. COUNCIL ACCEPT THE TENDER FROM BSD/MEINHARDT EXCLUDING TASK 21 (CONTRACT ADMINISTRATION).*
- 2. THE CEO BE AUTHORISED TO ENTER INTO A CONTRACT WITH BSD/MEINHARDT IN THE FORM OF THE CONSULTANCY CONTRACT (EMRC-13662) TO PROVIDE THE SERVICES DESCRIBED IN TASKS 1-20, 22 AND 23 RELATING TO THE ESTABLISHMENT OF A RESOURCE RECOVERY FACILITY FOR THE EASTERN METROPOLITAN REGIONAL COUNCIL (CONTRACT NO 2004/1) INCORPORATING THE FOLLOWING SCHEDULE OF PRICE AND HOURS, WITH SUCH AMENDMENTS AS ARE REQUIRED OR NECESSARY TO ADAPT THE CONSULTANCY CONTRACT TO FULLY RECORD THE REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS PROVIDED IN THE BSD/MEINHARDT TENDER:*

	BOO	BOOT	D&C
Price (ex GST)	\$727,850	\$736,990	\$849,730
Hours	6,414	6,486	7,437



Item 9.2 continued

3. *THE SCORING RESULTS CIRCULATED WITH THIS AGENDA REPORT ITEM 9.5 REMAIN CONFIDENTIAL AND BE PLACED ON A FILE MARKED 'CONFIDENTIAL' AND BE CERTIFIED BY SIGNATURE OF THE CHAIRMAN OF THE COUNCIL AND THE CHIEF EXECUTIVE OFFICER."*

REPORT

The minutes of the PAG meetings of 6 February and 13 March 2007 and the unconfirmed minutes of the meeting of 10 April are attached (Attachments 1, 2, 3) together with the Cardno BSD Meinhardt JV Progress Reports for [9 November to 2 April 2008](#) (Attachments 4, 5 and 6).

Following Council consideration of the confidential item on the EMRC Preferred Resource Recovery Facility (RRF) Options Progress report on 20 March 2008, Cardno BSD have reviewed the contract risk issues identified in the report by Worley in 2002 for the various contract delivery model options and updated the analysis of the risk issues for a Build Own Operate (BOO), Design and Construct (D&C) and Joint Venture delivery mechanisms. For the major risks for each of these delivery mechanisms, Cardno BSD have commenced sensitivity analysis of the impact on the project Net Present Value (NPV).

Consideration was given to using Monte Carlo analysis of the variables in the financial model for the various contract options but it was felt this would over complicate the analysis and take too long and that scenario and sensitivity analysis would achieve the same result.

A contract variation of \$124,755.16 (ex GST) was approved to Cardno BSD Meinhardt JV by the CEO in February after a claim made based on significant write-offs incurred over the period May 2006 to December 2007 in completing Task 1 (Project Management Plan), Task 5 (Assessment of Sites & technologies), Task 7 (Financial Model) and Task 10 (Waste Collection Systems). The agreed variation comprised 59% of the total amount written off against these Tasks. The Joint Venture acknowledged that this was a belated claim which should have been presented earlier in accordance with the Contract requirements.

One of the contract delivery mechanism options considered in the EMRC RRF Preferred Options Report was a joint venture and one of the potential anaerobic digestion technology providers visited last October in Switzerland indicated that this was an option they were prepared to consider. Accordingly, legal advice was sought on the ability of the EMRC to enter into a joint venture with a contractor or technology provider to own and operate a RRF. The advice follows:

- There is no constitutional barrier to the EMRC entering into a joint venture arrangement with a contractor/technology provider to own and operate a RRF to treat participant waste provided the process identified in the EMRC Establishment Agreement for a new project or service is carried out;
 - The EMRC cannot be involved in setting up, or acquiring a controlling interest in an incorporated joint venture vehicle with a contractor/technology provider to own and operate the proposed RRF to treat participant waste;
 - The EMRC can own shares in an incorporated special purpose vehicle for the proposed RRF providing the EMRC does not acquire a controlling interest in the vehicle or is involved in setting up the vehicle;
 - The EMRC can enter in to an unincorporated joint venture with a contractor/technology provider to own and operate the proposed RRF to treat participant waste but consideration would need to be given to how it was proposed to separate assets, responsibilities and benefits between the joint venture parties.
-



Item 9.2 continued

This advice will be utilised by Cardno BSD in finalising the contract delivery mechanism/ownership options for the EMRC as part of finalising the EMRC RRF Preferred Options Report.

Current Priorities

The consultants are focussing on completing the following tasks:

- Net Present Value (NPV) analysis on risk items for Contract Delivery Model Options (Task 11);
- Net Present Value (NPV) analysis on the staging options identified for the RRF;
- Net Present Value (NPV) analysis on Secondary Waste Treatment Fund (SWTF) options to determine the best investment for the EMRC (Task 7);
- Present the results of the NPV analysis and the contract risk issues to the June RRC meeting; and
- Update the preferred options report using the second round of stakeholder feedback, the risk analysis review and feedback from the June meeting, present the results to the July RRC meeting;

STRATEGIC/POLICY IMPLICATIONS

The Consultancy Contract is consistent with the EMRC strategic objective to “minimise the environmental impact of waste disposal”.

FINANCIAL IMPLICATIONS

The cost of using consultants Cardno BSD Meinhardt JV arising from the Request for Tender 2004/1 is budgeted at approximately \$302,100 in the 2007/2008 Budget under – Resource Recovery – Implement Resource Recovery Project Plan. There is also an allowance of \$2,000,000 for capital expenditure on Resource Recovery Facilities associated with Hazelmere in the 2007/2008 Budget under – Resource Recovery – Implement Resource Recovery Project Plan. This allowance will be carried over to the 2008/2009 Budget.

SUSTAINABILITY IMPLICATIONS

The Resource Recovery Facility and/or Resource Recovery Park will contribute toward “minimising the environmental impact of waste”.

MEMBER COUNCIL IMPLICATIONS

Member Council

Implication Details

Town of Bassendean
City of Bayswater
City of Belmont
Shire of Kalamunda
Shire of Mundaring
City of Swan



The EMRC will continue to advise member Councils as the project proceeds.



Item 9.2 continued

ATTACHMENT(S)

1. Minutes of PAG Meeting 6 February 2008 (Ref: Committees-8108)
2. Minutes of PAG Meeting 12 March 2008 (Ref: Committees-8113)
3. Unconfirmed minutes of PAG Meeting 10 April 2008 (Ref: Committees-8112)
4. Cardno BSD Meinhardt Progress Report 9 November 2007 to 4 February 2008 (Ref: Committees-8111)
5. Cardno BSD Meinhardt Progress Report 5 February to 6 March 2008 (Ref: Committees-8110)
6. Cardno BSD Meinhardt Progress Report 7 March to 2 April 2008 (Ref: Committees-8109)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That the report be received.

Cr Godfrey asked if carbon trading was being undervalued and asked if the carbon credits from the Resource Recovery Facility (RRF) had been factored into the financial model. Mr King advised that the problem was the uncertainty of the timing and the detail of the carbon trading scheme but that carbon credits had been factored into the model in a conservative manner. He further advised that one of the topics being covered at the Waste and Recycle Conference 2008 from 8-12 September was on Carbon Offsets.

RRC RECOMMENDATION(S)

MOVED CR KLEIN

SECONDED CR ALBERT

That the report be received.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR ALBERT

SECONDED CR KLEIN

THAT THE REPORT BE RECEIVED.

CARRIED UNANIMOUSLY



TASK 23 - PROJECT ADVISORY GROUP MEETING

Meeting Minutes

Location: EMRC Council Chambers, Ascot Place, Belmont
 Date: Wednesday 6 February 2008
 Time: 3:00pm – 5.00pm

1 Attendance and Apologies

Attendees:

Gavin Watters	John King	Mike Costarella
Jim Coton	Megan Haines	Ted Budzinski
Mahesh Singh	Steve Fitzpatrick	Stuart Cole
Shane Purdy	Mick McCarthy	Neil Wilson
Martyn Glover	Adam Johnson	Rod Moss
Simon Stewart-Dawkins	John Stevenson	Colin Cameron
	Peter Schneider	

Apologies:

Ric Lutey, Rod Moss, Gary Evershed

2 Minutes from previous meeting

The Minutes of the meeting of 29 November 2007 were not a true record as they referred to Jim Coton stating a number of questions, which were made by another PAG member. It was decided that the reference to Jim would be amended to 'it was asked'.

3 Actions from previous meeting

Responsible	Action Required	Deadline
JV	Include the City of Bayswater's experience with three bins in terms of space to store and collect the bins.	Completed

4 Progress report

John King provided an update on the Project with particular focus on EMRC RRF Preferred Options Report (Tasks 5, 10, 8, 9 and 11). John mentioned that a large amount of progress has been made on the decisions on RRF options and indicated that the results within the draft report will be presented during the PAG meeting.

John also mentioned that some progress was made on Task 15 (Environmental Approvals). He indicated that the Project Team met with an assessment officer Environmental Protection Authority Service Unit (EPASU) to discuss the likely level of assessment for the RRF component of the Project. John told the group that the EPASU officer indicated that it is unlikely that the level of assessment would be a Public Environment Review (PER). Steve Fitzpatrick added that this is provided a biological technology is chosen. John King agreed and added that it is also provided Red Hill is chosen as the site for the RRF. John continued to report that the Project Team will meet with the EPA next month when a more firm decision has been made on the EMRC Preferred Options. John specified that going forward; the Project Team will continue discussions and work on Task 15 (Environmental Approvals), which may include background odour monitoring at Red Hill.

5 EMRC Preferred Options Report Presentation

John King presented a summary of the EMRC Preferred Options Report and recommendations regarding the following tasks:

- Task 5 and 10: Preferred site, technology and waste collection systems
- Task 8: Staging of the RRF
- Task 11: Contract Delivery Mechanisms
- Task 9: Business Plan, Members Agreement and Project Plan

Task 5 and 10 - Preferred site, technology and waste collection systems

The process leading to the following preferred RRF option was presented by John King (JV project team):

MSW treatment technology: MBT Anaerobic
Site: Red Hill
Waste collection system: Three-bin

During the presentation, Gavin Watters pointed out that the Task 10 recommendations have not been adopted by Council.

It was also pointed out by a PAG member that there may be issues in relation to a three-bin system in built up areas in some local government areas. If the three-bin system was not adopted in these areas, it may affect the amount of waste delivered to the RRF. John King indicated that composition analysis indicated that a two-bin system meant that around 30% contamination would be processed by the RRF. He also indicated that with a three-bin system, only 5% contamination would be processed by the RRF. Another PAG member indicated that it is unlikely that these built up areas would produce a significant amount of greenwaste, hence the quantities sent to the RRF is not likely to decrease significantly if the built up areas do not implement a three-bin system.

Another PAG member asked whether the gate fee would vary if one member council had a greater proportion of two-bin systems compared to three-bin collection systems. A higher proportion of two-bin systems would mean that more sorting technology would be needed at the RRF and hence additional capital investment. John King replied by saying that if the two different collection systems are offered, the EMRC could charge Member Councils different gate fees based on the type of collection system.

Another PAG member commented that there is also the option to supply smaller (120L or 140L) MGBs to promote waste minimisation and source separation.

Gavin Watters added that three-bin collection system trials are currently being implemented in the Perth Metropolitan Area and it would be beneficial to obtain the information from these.

Task 8 – Staging of the RRF

John King presented the staging options for the RRF. JV Project Team recommended the following solutions in terms of staging:

Option 1 - Stage 1
MSW Treatment Technology: Biological (preferably MBT Anaerobic)
Capacity: 60,000tpa

Option 1 – Stage 2

MSW Treatment Technology: Thermal (preferably Gasification)
Capacity: 70,000tpa (after a minimum at year 5 of stage 1 operation)

The implementation of Stage 2 would be subject to a satisfactory feasibility study at this time.

Task 11 – Contract Delivery Mechanism

John King presented information concerning how the project would be delivered in terms of the following:

- Project delivery
- Contract form
- Financing and ownership

The Project Team has recommended that the project be delivered under a single contract using *Build Own Operate (BOO)* (contractor owned and operated RRF).

It was mentioned by a PAG member that if the EMRC owned and operated the RRF, they could reduce risk by reviewing the design of the facility.

John Stevenson added that if the contractor operated the RRF on EMRC owned land (e.g. Red Hill), then the lease agreement could specify that if the contractor failed to perform, the contractor would remove the facility from the site and the lease would terminate. John King agreed. John Stevenson then indicated that the longest lease agreements are around 21 years. John King pointed out that the Western Australian Planning Commission (WAPC) authorised a lease agreement for approximately 23 years for the Mindarie Regional Council's (MRC's) RRF at Neerabup.

It was then asked whether a contractor owned RRF would mean that the Member Council would be subjected to variable (or increasing) gate-fees. John King replied by saying that the contract would define the gate-fee escalation over the operating period which would be determined by a financial model.

Gavin Watters also asked John King to clarify the difference in the guarantees and financial risk to the Member Councils. John King indicated that if the project was delivered using a BOO contract model, the Member Councils would guarantee the EMRC financial obligations under the contract. He indicated that the operational risk for the facility is with the contractor and banks that finance the contractor. If the EMRC owns the facility the Member Councils will be required to generate the bank loans used to fund the RRF.

Gavin Watters continued to clarify that the Member Councils do not guarantee the capital repayments under a BOO but would have to guarantee payments under a D&C contract. John King agreed but added that the Council would need to repay capital expenditure under uninsured force majeure events.

Task 9: Business Plan, Members Agreement and Project Plan

John King presented the likely requirements of a Members Agreement under a BOO contract delivery model. He also presented the requirements of a business and project plan.

The question was asked if the gate fee payable under a BOO contract covers the operating and capital costs of the RRF. John replied by saying that the gate fee does cover both of these costs.

Additional Questions and Feedback

It was asked whether the EMRC, under a BOO contract, can buy the RRF from the contractor. John King indicated that the EMRC and its Member Council can cancel the contract through paying the amount owed to the shareholders and bank. However, under a BOO it is assumed the contract is for the life of the operation of the facility. However, John King also pointed that if the contractor does not provide the required service, the bank can step in. The bank is disadvantaged if the contractor fails.

It was also asked how the preferred RRF options compared to the 'continue landfilling' or no change option. John King replied by saying that the Red Hill Landfill has capacity to continue landfilling for some time. However, during community consultation it was found that householders are prepared to pay for a better environmental outcome. Continuing landfilling is not comparable to implementing resource recovery as they achieve vastly different outcomes.

A PAG member then indicated that cost of an option is always a key factor. John King pointed out that Local Governments offer recycling services, at a higher cost, due to the environmental benefits. He also indicated the environmental benefits of resource recovery are a key reminder of why the project was initiated. John King continued by saying that the Member Councils have the opportunity to choose to sign up to the project by signing the Project Participants agreement.

It was also indicated by a PAG member that it would be interesting to compare resource recovery options to the do nothing option. John King replied by saying that additional information on these options would be provided in the final version of the Preferred Options Report.

6 Other Business

Nothing to report.

7 Summary of actions

Responsible	Action Required	Deadline
JV	Amend the PAG minutes from 29 November 2007	11 th February 2008
JV	Make changes to the EMRC RRF Preferred Options Presentation as suggested by the PAG.	13 th March 2008

8 Next Meeting

The date for the next PAG meeting is 13 March 2008.

Closure

There being no further business, the meeting closed at 5.08pm.



TASK 23 - PROJECT ADVISORY GROUP MEETING

Meeting Minutes

Location: EMRC Council Chambers, Ascot Place, Belmont
 Date: Thursday 12 March 2008
 Time: 3:30pm – 5.00pm

1 Attendance and Apologies

Attendees:

Ric Lutey	John King
Jim Coton	Megan Haines
Shane Purdy	Steve Fitzpatrick
Martyn Glover	Mick McCarthy
Ken Goldsworthy	Adam Johnson
	John Stevenson

Apologies:

Gavin Watters, Shane Purdy, Simon Stewart-Dawkins, Mahesh Singh.

2 Minutes from previous meeting

It was raised that Gary Evershed was invited to the PAG meeting but is not a member. It was agreed that the EMRC will amend future invite lists accordingly. Subject to this change, the Minutes of the meeting of 6 February 2008 were agreed as a true record.

3 Actions from previous meeting

Responsible	Action Required	Deadline
JV	Amend the PAG minutes from 29 November 2007	Completed
JV	Make changes to the EMRC RRF Preferred Options Presentation as suggested by the PAG.	Ongoing

4 Progress report

John King provided an update of the Resource Recovery Project with particular focus on the EMRC RRF Preferred Options Report (Tasks 5, 10, 8, 9 and 11) and stakeholder consultation (Task 4).

A spreadsheet has been created that recorded the comments made by committee members from the RRC, PAG and CEOAC during stakeholder consultation workshops.

It was also mentioned that a project variation has been approved by the EMRC. The variation related to work that was undertaken under Task 5, 7 and 10 from May 2006 to December 2007. The variation was approved as the work requested was outside the scope of the project.

John King then provided an update on projected activities. He indicated that that a Waste Management Community Reference Group (WMCRG) meeting was held on the 10th March and included a presentation on the Preferred EMRC RRF Options.

In addition, it was indicated that Project Team will start to amend the Preferred Options report in light of those comments collected during stakeholder consultation.

The key changes to the report will include:

- Comparing technology options against the 'no change' (continue landfilling) option (Task 5);
- Discussion on the effects of a three-bin system on multi-unit dwellings (Task 10);
- Incorporating carbon credits into financial modelling (Task 7);
- Amending the value of Renewable Energy Credits (RECs) in the Financial Model (Task 7);
- Net Present Value (NPV) analysis to determine the best investment options for the Secondary Waste Treatment Fund (SWTF); and
- Further investigating and discussion of the contract procurement options, with particular focus on EMRC ownership options (Design & Construct - D&C) (Task 11).

John King added that the Project Team are also planning a Risk Workshop for Resource Recovery Committee (RRC) Members to better quantify the Member Council's and EMRC's appetite for risk. Mark Warren from Worley Parsons has been scheduled to attend the proposed workshop and also facilitate the workshop held in 2002. It is proposed that the workshop is held on the 8th or 9th of April. Steve Fitzpatrick will email the proposed dates to the RRC members.

John King raised the issue of a three-bin system and the effects on multi-unit dwellings. He indicated that if these dwellings can not fit a third MGB, these areas can have a separate collection and the waste sent directly to landfill. Alternatively, the refuse bin can be sent to the RRF, which may require more sorting equipment for additional contamination within the organics feedstock.

It was raised by a PAG member that his Member Council has had issues with the three bins at Multi Unit Dwellings (MUD) locations. However, due to the increase in MUD numbers, the member council has introduced separate collections and larger communal bulk bins (1100L – 1800L). It was also raised that bulk bins create a number of issues, such as increased contamination, therefore this type of waste stream may not be suited for a RRF processing source separated organics. It was agreed that Steve Fitzpatrick will email to member councils, a number of questions regarding MUDs and space for three MGBs.

5 EMRC Preferred RRF Options Feedback and actions

John King identified the key issues that arose from the RRF Options Workshop Feedback. It was identified that options that need to be decided upon include:

- Contract Delivery Model – which will be decided through the outcomes of the risk workshop;
- RRF Technology – which will be decided through more investigation into carbon credit modelling and decided by the EMRC and its Member Councils.

It was asked whether the Zero Waste Plan (ZWP) required by the Department of Environment and Conservation (DEC) will include information collected under the Resource Recovery Project. It was indicated that the ZWPs will acknowledge but not duplicate information. The ZWPs will mainly deal with waste streams not processed by the RRF.

It was also asked whether the three-bin decision has been decided upon by the EMRC. It was indicated that the three-bin system is the preferred system if a biological (anaerobic digestion) technology is chosen. This type of technology is also compatible with a two-bin system. It was then added that a three-bin system is preferred as it

produces a cleaner feed stock for the RRF, which simplifies the anaerobic process used, when compared to the two-bin system .

6 Other Business
Nothing to report.

7 Summary of actions

Responsible	Action Required	Deadline
EMRC	Take Gary Evershed off the PAG email list	4 th April 2008
EMRC	Email potential dates for the Risk Workshop to RRC members	4 th April 2008
EMRC	Email questions outlining potential issues with a three-bin system at Multi-Unit Dwellings	4 th April 2008
JV	Update EMRC Preferred Options Feedback and Actions spreadsheet – version, date and item numbers	4 th April 2008

8 Next Meeting
The date for the next PAG meeting is 10 April 2008 (time TBC).

Closure
There being no further business, the meeting closed at 4.41pm.



TASK 23 - PROJECT ADVISORY GROUP MEETING

Meeting Minutes

Location: EMRC Council Chambers, Ascot Place, Belmont
 Date: Thursday 10 April 2008
 Time: 2:30pm – 3:30pm

1 Attendance and Apologies

Attendees:

Ric Lutey	John King
Jim Coton	Megan Haines
Mahesh Singh	Gavin Watters
Shane Purdy	Steve Fitzpatrick
James Riley	Adam Johnson
Ken Goldsworthy	John Stevenson

Apologies:

Mick McCarthy, Simon Stewert Dawkins

Welcome:

Bill Marchbank

2 Minutes from previous meeting

It was raised that Mahesh Singh was an apology at the last PAG meeting. Subject to this change, the Minutes of the meeting of 13 March 2008 were agreed as a true record.

3 Actions from previous meeting

Responsible	Action Required	Completed
EMRC	Take Gary Evershed off the PAG email list	Completed
EMRC	Email potential dates for the Risk Workshop to RRC members	Not completed
EMRC	Email questions outlining potential issues with a three-bin system at Multi-Unit Dwellings	Not completed
JV	Update EMRC Preferred Options Feedback and Actions spreadsheet – version, date and item numbers	Not completed

4 Progress report

John King provided an update of the Resource Recovery Project with particular focus on Task 4, 10 and 11.

Task 4 – Stakeholder Consultation

A round of stakeholder consultation has occurred which involved the presentation of collated feedback. John King explained that the feedback will be incorporated into the updated Preferred Options Report.

Task 10 – Waste Collection Systems

The EMRC has submitted an application for a DEC Strategic Waste Initiative Scheme (SWIS) grant. The grant could fund a three-bin collection system trial and/or audit. It was asked how many houses would be included in the trial. Steve Fitzpatrick announced that the trial is likely to cover 300 households.

Task 11 – Contract Delivery Mechanism

A progress meeting was held at the EMRC and attended by the JV Project Team, EMRC and Mark Warren from Worley Parsons. At the meeting, the JV Project Team presented a spreadsheet with the high risk items and additional comments outlining the likely risk consequences under a BOO and D&C contract for an Anaerobic RRF.

It was asked whether the consequences would differ if the EMRC chose a Thermal (Gasification) RRF. John King agreed and suggested that the EMRC may choose a different contract delivery model if a thermal RRF is built. He then indicated it may be required that different risk assessments are undertaken for the two technology options.

John King continued to discuss some preliminary Net Present Value (NPV) Analysis undertaken by the JV Project Team. The NPV analysis included 1%, 5% and 10% increase in Capital Cost, Total Operating Cost, Indirect Operating Cost and Direct Operation Costs

Steve Fitzpatrick indicated that the risk assessment is based on the Comparative Risk Assessment Workshop Outcomes undertaken in 2002. However, a number of issues have been added to the 'mix' including Climate Change and the proposed Emissions Trading Scheme.

Projected Activities

Project activities for next month include preparations for the Risk Workshop which is likely to be held during the June PAG meeting. In addition, the Task 7 model will be amended to model costs and revenues arising from the proposed Emissions Trading Scheme. In addition, the model will be used to determine the best investment for the Secondary Waste Treatment Fund (SWTF). Net Present Value (NPV) will be used to indicate the best investment for the EMRC.

6 Other Business

The JV has been awarded project variations for Tasks 1, 5, 7 and 10. The variations relate to additional work requested by the EMRC and undertaken during the review period of May 2006 and November 2007 and totalled \$124,755.16 (ex GST). It was pointed out that the JV acknowledged that it was a belated claim which should have presented earlier in accordance with the Contract requirements. In addition, the JV agreed to bear a considerable portion of the total write-offs to date which corresponded to report and layout errors made by the JV.

Adam Johnson also mentioned that he is a member of the WMAA National Carbon Committee. The purpose of the committee is to keep up to date with Climate Change issues.

Steve Fitzpatrick added that Terry Ord will be investigating the Monte Carlo Analysis which could be used during the risk assessment workshop. Although the method is relatively straightforward, it relies on probabilities for risk items which may be hard to obtain.

7 Summary of actions

Responsible	Action Required	Deadline
EMRC	Email potential dates for the Risk Workshop to RRC members	5 th June 2008
EMRC	Email questions outlining potential issues with a three-bin system at Multi-Unit Dwellings	5 th June 2008
JV	Update EMRC Preferred Options Feedback and Actions spreadsheet – version, date and item numbers	5 th June 2008

8 Next Meeting

The date for the next PAG meeting is 8 May 2008 (may not be required – TBC by EMRC).

Closure

There being no further business, the meeting closed at 3.16pm.

PROGRESS REPORT
09 November 2007 - 04 February 2008

**Consultancy Contract Relating to Resource Recovery
for the EMRC**

Prepared for: **EMRC**

Prepared by: **CARDNO BSD / MEINHARDT JOINT VENTURE**
Cardno BSD Centre, 2 Bagot Road
PO Box 155, Subiaco, WA, 6904
Telephone (08) 9273 3888
Facsimile (08) 9388 3831

February 2008



EXECUTIVE SUMMARY

This report summarises the activities from 09 November 2007 - 04 February 2008. During this period, the Joint Venture has focused on:

- *EMRC deciding which of the (Task 5) Technology and Site Assessment - Final Report recommendations to adopt;*
- *EMRC deciding which of the (Task 10) Waste Collection Systems Report's recommendations to adopt;*
- *JV presenting the results of the Task 10 (Waste Collection Systems) Report to the PAG and RRC;*
- *JV altering the financial modelling results of the wet/dry bin collection system in the Task 10 (Waste Collection Systems) Report;*
- *JV altering the Outline Report (Tasks 8, 9 and 11) into the EMRC Preferred RRF Options Report (Tasks 5, 10, 8, 9 and 11);*
- *Initial discussions with the EPA on Task 15 (Environmental Approvals); and*
- *Initial discussions on the implications of the Task 11 (Contract Delivery Mechanism).*

The planned activities for the following month are:

- *Update the Project Schedule and budget according to the revised Project process;*
- *Stakeholder (PAG, RRC and CEOAC) workshops presenting information from the EMRC Preferred RRF Options Report (Task 4);*
- *JV updating the EMRC Preferred RRF Options Report (Tasks 5, 10, 8, 9 and 11) according to stakeholder feedback;*
- *Agreeing the Task 6 (Preferred Sites and Technologies) Programme;*
- *Agreeing the Task 15 (Environmental Approvals) Programme; and*
- *Further discussions with the EPA regarding Environmental Approvals (Task 15).*

TABLE OF CONTENTS

	PAGE
EXECUTIVE SUMMARY	I
1. INTRODUCTION.....	1
2. PROGRESS REPORT	1
2.1 TASK 1 – PROJECT SCHEDULE.....	1
2.2 TASK 2 – PRELIMINARY TECHNICAL & FINANCIAL ASSESSMENT	1
2.3 TASK 3 – COMMUNITY CONSULTATION	1
2.4 TASK 4 – STAKEHOLDER CONSULTATION	1
2.5 TASK 5 – ASSESSMENT OF SITES AND TECHNOLOGIES	2
2.6 TASK 6 – PREFERRED RRF SITES AND TECHNOLOGIES	2
2.7 TASK 7 - FINANCIAL MODELS	2
2.8 TASK 8 - STAGING OF FACILITY.....	2
2.9 TASK 9 - BUSINESS PLAN AND MEMBER COUNCIL AGREEMENTS.....	3
2.10 TASK 10 - WASTE COLLECTION SYSTEMS	3
2.11 TASKS 11 - CONTRACT DELIVERY MECHANISMS	3
2.12 TASK 12 – 14	4
2.13 TASK 15 – ENVIRONMENTAL APPROVALS	4
2.14 TASKS 16 - 21	4
2.15 TASK 22 – PROGRESS REPORTS	4
2.16 TASK 23 – PAG MEETINGS	4
3. PROGRAMME	5
3.1 SUMMARY OF PROJECT SCHEDULE	5
4. UNFORESEEN CIRCUMSTANCES.....	6
5. PROJECT EXPENDITURE.....	6
5.1 LIST OF PROJECT VARIATIONS.....	7
6. PROJECTED ACTIVITIES.....	8
6.1 TASK 1 – PROJECT SCHEDULE.....	8
6.2 TASK 4 – STAKEHOLDER CONSULTATION	8
6.3 TASK 5 – SELECTION OF SITES AND TECHNOLOGIES	8
6.4 TASK 6 – PREFERRED RRF SITES AND TECHNOLOGIES	8
6.5 TASK 8 – STAGING OF FACILITY	8
6.6 TASK 9 – BUSINESS PLAN AND MEMBER COUNCIL AGREEMENTS	8
6.7 TASK 10 – WASTE COLLECTION SYSTEM.....	9
6.8 TASK 11 – CONTRACT DELIVERY MECHANISMS	9
6.9 TASK 15 – ENVIRONMENTAL APPROVALS	9
7. ADDITIONAL INFORMATION	10

1. INTRODUCTION

This report summarises the activities from 09 November 2007 - 04 February 2008. During this period, the Joint Venture has focused on:

- *EMRC deciding which of the (Task 5) Technology and Site Assessment - Final Report recommendations to adopt;*
- *EMRC deciding which of the (Task 10) Waste Collection Systems Report's recommendations to adopt;*
- *JV presenting the results of the Task 10 (Waste Collection Systems) Report to the PAG and RRC;*
- *JV altering the financial modelling results of the wet/dry bin collection system in the Task 10 (Waste Collection Systems) Report;*
- *JV altering the Outline Report (Tasks 8, 9 and 11) into the EMRC Preferred RRF Options Report (Tasks 5, 10, 8, 9 and 11);*
- *Initial discussions with the EPA on Task 15 (Environmental Approvals); and*
- *Initial discussions on the implications of the Task 11 (Contract Delivery Mechanism).*

2. PROGRESS REPORT

2.1 TASK 1 – PROJECT SCHEDULE

2.1.1 *Project Schedule*

The Project Schedule has not been updated and maintained due to the revised project process. The Project Schedule will be updated once the EMRC preferred RRF options have been made.

2.2 TASK 2 – PRELIMINARY TECHNICAL & FINANCIAL ASSESSMENT

Completed

2.3 TASK 3 – COMMUNITY CONSULTATION

No activity

2.4 TASK 4 – STAKEHOLDER CONSULTATION

On the 29 November 2007, a presentation was held presenting the results of the Task 10 (Waste Collection Systems) Results. Feedback was received and incorporated into the report from the PAG and RRC.

2.5 TASK 5 – ASSESSMENT OF SITES AND TECHNOLOGIES

The EMRC have decided upon the preferred site and technology for the RRF component of the resource recovery project. These decisions have been made based upon the Task 5 (Assessment of Sites and Technologies) Final Report and subsequent discussions between the JV Project Team and the EMRC.

It has been recommended that that EMRC adopt the following solution in regards to the type of technology and site for the RRF:

- MSW treatment technology: Biological - MBT Anaerobic
- RRF site: Red Hill

The assessment processes that lead to these decisions will be presented at the PAG workshop on the 06 February 2008.

2.6 TASK 6 – PREFERRED RRF SITES AND TECHNOLOGIES

No Action

2.7 TASK 7 - FINANCIAL MODELS

The financial model was re-run for the wet/dry bin collection system in order to produce the correct financial results. The results were incorporated into the updated Task 10 – Waste Collection Systems Report.

2.8 TASK 8 - STAGING OF FACILITY

The JV Project Team assessed the establishment of the RRF in stages, the ability of each stage to be upgraded and the benefits and detriments of using different technologies in different stages. The assessment of the staging programme was outlined in the EMRC Preferred RRF Options Report which determined that a MBT Anaerobic RRF with a capacity of 60,000 tonnes per annum be established in one stage (expandable to 80,000 tpa). Through the assessment, it was determined that at approximately year 5 of operation of Stage 1, consideration be given to establishing a Stage 2 Thermal RRF. This facility could process residue from the Stage 1 RRF and other waste that is not suitable for processing by MBT anaerobic technology used in stage 1.

The assessment processes that led to these decisions will be presented at the PAG workshop on the 06 February 2008.

2.9 TASK 9 - BUSINESS PLAN AND MEMBER COUNCIL AGREEMENTS

The JV assessed the issues and requirements of the following project components in the EMRC Preferred RRF Options Report:

- Project Plan;
- Participating Members Agreement; and
- Business Plan.

These project components have been considered in the EMRC Preferred RRF Options report and took into account a number of key principles that were decided by the PAG on 9 February 2006.

2.10 TASK 10 - WASTE COLLECTION SYSTEMS

The JV project team reviewed and amended the wet/dry bin collection system calculations and results produced during financial modelling of the assessment of waste collection systems. The Task 10 (Waste Collection Systems) Report was revised, reprinted and distributed to the EMRC councillors, PAG and RRC highlighting the correction. The amendments to the report did not change the recommendations resulting from the Task 10 analysis.

The EMRC has decided upon the preferred waste collection system based upon the Task 10 (Waste Collection Systems) Report in addition to the decisions made under Task 5 (Assessment of Sites and Technologies). In light of the recommendation to adopt MBT Anaerobic technology for the RRF, it has been recommended that a three-bin collection system be trialled and, if successful, adopted by the Member Councils of the EMRC.

The assessment processes that led to this decision will be presented at the PAG workshop on the 06 February 2008.

2.11 TASKS 11 - CONTRACT DELIVERY MECHANISMS

The JV project team has assessed the key differences and the potential implications for the EMRC of available project delivery mechanisms, forms of contract and ownership options to determine the most suitable procurement structure for the RRF component of the Resource Recovery Project.

The recommended contract delivery mechanism is a Build Own Operate model. The reasons for this recommendation are outlined in the EMRC Preferred RRF Options report and took into account a number of key principles that were decided by the PAG on the 9 February 2006.

Initial discussions between the EMRC, JV Project Team and contract lawyers from Freehills have occurred to better understand the likely implication of all contract delivery mechanisms considered for the project.

2.12 TASK 12 – 14

No Activity

2.13 TASK 15 – ENVIRONMENTAL APPROVALS

The JV Project Team and EMRC met with a representative from the Environmental Protection Authority Service Unit (EPASU) to determine the likely level of assessment of the RRF component of the project under Part IV of the Environment Protection Act. The outcome of the meeting was that an informal level of assessment is likely if a biological MSW treatment technology at Red Hill is chosen. However, considering the odour difficulties experienced by the SMRC facility in Canning Vale, a formal level of assessment is still possible. Therefore, consideration is being given to the EMRC initiating background odour monitoring at the Red Hill site in preparation for undertaking odour modelling of the proposed RRF.

The EPASU representative indicated that once a firm decision on the RRF technology and site has been made, correspondence should be sent through to the EPA with a view to seeking a meeting and presentation with the EPA. The EPA Chairman will determine whether the meeting and presentation is necessary.

2.14 TASKS 16 - 21

Presently, there is nothing to report on these tasks.

2.15 TASK 22 – PROGRESS REPORTS

The Progress Reports are being prepared prior to each PAG meeting.

2.16 TASK 23 – PAG MEETINGS

The JV is waiting to receive the PAG meetings for next year from the EMRC.

3. PROGRAMME

Refer to MS Project Schedule (Gantt Chart)

3.1 SUMMARY OF PROJECT SCHEDULE

Description	Schedule situation	Critical
Task 1 – Project Management Plan & Schedule	OK	No
Task 2 - Preliminary Technical & Financial assessment	Completed	-
Task 3 - Community Consultation Programme	OK	No
Task 4 - Stakeholder Consultation Programme	OK	Critical path
Task 5 - Preliminary assessment of sites & technologies	Completed	-
Task 6 - Preferred sites and technologies for RRP/RRF	Not started	No
Task 7 – Financial modelling	Completed	-
Task 8 - Staging of Facility, preferred technology types for EOI/Tender	OK	No
Task 9 – Business Plan & Member Council Agreements	OK	Critical path
Task 10 - Waste Collection Systems	Completed	-
Task 11 - Contract Delivery Mechanism	OK	No
Task 12 - Expression of Interest Preparations	Not started	Critical path
Task 13 - Preparation of EOI documents & Call for EOIS	Not started	Critical path
Task 14 - Evaluate and shortlist EOIS	Not started	Critical path
Task 15 - Environmental Approvals	OK	Critical path
Task 16 - Planning Approvals	Not started	No
Task 17 - Tender Preparations	Not started	Critical path
Task 18 - Preparation of tender documents & Call for Tenders	Not started	Critical path
Task 19 - Tender Evaluation	Not started	Critical path
Task 20 - Contract Finalisation	Not started	Critical path
Task 21 - Administer Contracts	Not started	Critical path
Task 22 - Progress Reports	OK	No
Task 23 - PAG Meetings	OK	No

4. UNFORESEEN CIRCUMSTANCES

None

5. PROJECT EXPENDITURE

Description	Agreed Fee (ex. GST)	Percentage complete
Task 1 - Project Management Plan & Schedule	\$21,745	100%
Task 2 - Preliminary Technical & Financial assessment	\$11,190	100%
Task 3 - Community Consultation Programme	\$118,059	87%
Task 4 – Stakeholder Consultation Programme	\$47,707	47%
Task 5 – Preliminary assessment of sites & technologies	\$78,685	105%
Task 6 - Preferred sites and technologies for RRP/RRF (inc CPI)	\$29,620	0%
Task 7 – Financial modelling	\$65,285	101%
Task 8 - Staging of Facility, preferred technology types for EOI/Tender (inc CPI)	\$18,610	43%
Task 9 – Business Plan & Member Council Agreements (inc CPI)	\$17,795	62%
Task 10 - Waste Collection Systems (inc CPI)	\$22,730	133%
Task 11 - Contract Delivery Mechanism (inc CPI)	\$25,252	23%
Task 12 - Expression of Interest Preparations (inc CPI)	\$25,896	0%
Task 13 - Preparation of EOI documents & Call for EOIS (inc CPI)	\$17,442	0%
Task 14 - Evaluate and shortlist EOIS (inc CPI)	\$42,714	0%
Task 15 - Environmental Approvals (inc CPI)	\$147,839	0%
Task 16 - Planning Approvals (inc CPI)	\$16,044	0%
Task 17 - Tender Preparations (inc CPI)	\$26,488	0%
Task 18 - Preparation of tender documents & Call for Tenders (inc CPI)	\$38,890	0%
Task 19 - Tender Evaluation (inc CPI)	\$121,789	0%
Task 20 - Contract Finalisation (inc CPI)	\$12,135	0%
Task 21 - Administer Contracts	\$39,148	
Task 22 - Progress Reports	\$34,788	39%
Task 23 - PAG Meetings	\$21,745	46%
PROJECT TOTAL (ex. GST)	\$979,852	40%

Note: Total may not add up due to rounding of task totals

5.1 LIST OF PROJECT VARIATIONS

Details of variations, date, resource, task and value (the values have been incorporated into the project budget table above)

Date	Task No	Resource	Description	Fee (exc GST)
10/2/05	Task 1	Gae Synnott	Attendance of Risk Workshop	\$520.00
10/2/05	Task 23	Gae Synnott	Attendance to first PAG meeting	\$650.00
4/04/05	Task 3	Gae Synnott	Attendance of WMCRG meetings & additional input into revised community consultation programme	\$8,450.00
3/05/05	Task 3	GS, JCK, GMP	Budget for co-ordinating the baseline market research survey	\$6,375.00
9/05/05	Task 7	Giles Perryman	To model two additional sites - original budget was to model one site only.	\$4,095.00
18/11/05	Task 5	JV Project Team	Amended task programme (linked to task 6) and additional community nominated sites.	\$38,386.00
18/11/05	Task 6	JV Project Team	Amended task programme (linked to task 5)	-\$12,719.60
21/12/05	Task 4	JV Project Team	Additional Member Council briefings regarding Project & Business Plans	\$13,317.20
16/06/06	Task 3	JV Project Team	Additional Report required for RWS 1, time for PAG RWS2 run through and modelling of weightings.	\$33,717.20
16/06/06	Task 3	Graham Harvey	Stand in facilitator, additional hours required to brief Graham about the workshop	\$540.80
16/06/06	Task 5	JV Project Team	Production of Tech and Sites summary report	\$5,788.00
16/06/06	Task 11	JV Project Team	Assessment of contract delivery mechanisms against each technology option	\$5,967.00
27/04/07	Task 7	JV Project Team	Financial Modelling for amending landfill and technology gate fees to actual costs	\$2,487.06
30/05/07	Task 7	JV Project Team	Financial model structure amendments to remove the lag between the base year and the start of capital expenditure	\$4,380.70
30/05/07	Task 7	JV Project Team	Time spent reviewing and correcting member Council waste tonnage and cost data between August and November 2006	\$21,831.00
			TOTAL	\$133,785.36

6. PROJECTED ACTIVITIES

The Joint Venture will focus on the following activities during the next month:

- Update the Project Schedule and budget according to the revised Project process;
- Stakeholder (PAG, RRC and CEOAC) workshops presenting information from the EMRC Preferred RRF Options Report (Task 4);
- JV updating the EMRC Preferred RRF Options Report (Tasks 5, 10, 8, 9 and 11) according to stakeholder feedback;
- Agreeing the Task 6 (Preferred Sites and Technologies) Programme;
- Agreeing the Task 15 (Environmental Approvals) Programme; and
- Further discussions with the EPA regarding Environmental Approvals (Task 15).

6.1 TASK 1 – PROJECT SCHEDULE

The JV Project Team and EMRC will meet to update the revised schedule and budget according to latest developments regarding the project.

6.2 TASK 4 – STAKEHOLDER CONSULTATION

PAG, RRC and CEOAC Workshops will be held at the EMRC to present and discuss information outlined in the EMRC Preferred RRF Options Report.

6.3 TASK 5 – SELECTION OF SITES AND TECHNOLOGIES

The Task 5 component of the EMRC Preferred Options Report will be updated following any feedback received from the various stakeholders during PAG, RRC and CEOAC workshops held at the EMRC.

6.4 TASK 6 – PREFERRED RRF SITES AND TECHNOLOGIES

The programme and budget for Task 6 (Preferred RRF Sites and Technologies) will be determined by the JV Project and agreed by the EMRC.

6.5 TASK 8 – STAGING OF FACILITY

The Task 8 component of the EMRC Preferred Options Report will be updating pending on any feedback received from the various stakeholders during workshops held at the EMRC.

6.6 TASK 9 – BUSINESS PLAN AND MEMBER COUNCIL AGREEMENTS

The Task 9 component of the EMRC Preferred Options Report will be updating pending on any feedback received from the various stakeholders during workshops held at the EMRC.

6.7 TASK 10 – WASTE COLLECTION SYSTEM

The Task 10 component of the EMRC Preferred Options Report will be updating pending on any feedback received from the various stakeholders during workshops held at the EMRC.

6.8 TASK 11 – CONTRACT DELIVERY MECHANISMS

The Task 11 component of the EMRC Preferred Options Report will be updating pending on any feedback received from the various stakeholders during workshops held at the EMRC.

6.9 TASK 15 – ENVIRONMENTAL APPROVALS

The programme and budget for Task 15 (Environmental Approvals) will be determined by the JV Project and agreed by the EMRC.

The EMRC preferred RRF option will be communicated to the EPA through correspondence. A meeting with the EPA will be scheduled to provide background information regarding the project while also obtaining an indication of the likely level of assessment required under the Environmental Protection Act.

7. ADDITIONAL INFORMATION

No additional information.



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

Nil

11 GENERAL BUSINESS

Nil

12 FUTURE MEETINGS OF THE RESOURCE RECOVERY COMMITTEE

The next meeting of the Resource Recovery Committee will be held on **Thursday, 10 July (if required)** at the EMRC Administration Office, 1st Floor, Ascot Place, 226 Great Eastern Highway, Belmont WA 6104 commencing at 5.00pm.

The Manager Project Development advised that the 'if required' meeting scheduled Thursday, 10 July 2008 was likely to be required.

Future Meetings 2008

Thursday	10 July (if required)	at	EMRC Administration Office
Thursday	7 August	at	EMRC Administration Office
Thursday	4 September (if required)	at	EMRC Administration Office
Thursday	9 October	at	EMRC Administration Office
Thursday	20 November (if required)	at	EMRC Administration Office

13 DECLARATION OF CLOSURE OF MEETING

There being no further business, the Chairman closed the meeting at 7.14pm.
