

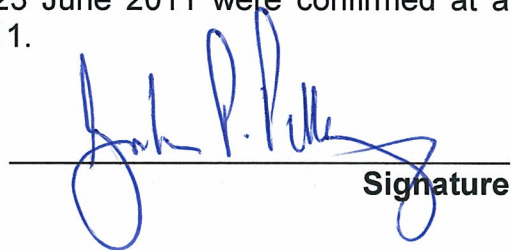


MINUTES

CERTIFICATION OF CONFIRMATION OF COUNCIL MEETING MINUTES

23 June 2011

I, Cr Graham Pittaway, hereby certify that the following minutes [pages 1 to 186] of the Meeting of Council held on 23 June 2011 were confirmed at a meeting of the Council held on 21 July 2011.

A handwritten signature in blue ink, appearing to read 'Graham Pittaway', is written over a horizontal line. The signature is fluid and cursive.

Signature

Cr Graham Pittaway

Person presiding at the Council Meeting held on 21 July 2011



MINUTES

Ordinary Meeting of Council

23 June 2011

ORDINARY MEETING OF COUNCIL

MINUTES

23 June 2011

(REF: COMMITTEES-12149)

An Ordinary Meeting of Council was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 23 June 2011**. The meeting commenced at **6.02pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 6.02pm.

Cr Pilgrim entered the meeting at 6.03pm.

2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

Councillor Attendance

Cr Graham Pittaway (Chairman)	EMRC Member	City of Bayswater
Cr Gerry Pule	EMRC Member	Town of Bassendean
Cr Lynda Butler (Deputising for Cr Gangell)	EMRC Deputy Member	Town of Bassendean
Cr Alan Radford	EMRC Member	City of Bayswater
Cr Glenys Godfrey	EMRC Member	City of Belmont
Cr Janet Powell	EMRC Member	City of Belmont
Cr Frank Lindsey	EMRC Member	Shire of Kalamunda
Cr Tony Cuccaro (Deputy Chairman)	EMRC Member	Shire of Mundaring
Cr Alan Pilgrim (<i>from 6.03pm</i>)	EMRC Member	Shire of Mundaring
Cr David Färdig	EMRC Member	City of Swan
Cr Charlie Zannino	EMRC Member	City of Swan

Apologies

Cr John Gangell	EMRC Member	Town of Bassendean
Cr Don McKechnie	EMRC Member	Shire of Kalamunda

EMRC Officers

Mr Peter Schneider	Chief Executive Officer
Mr Hua Jer Liew	Director Corporate Services
Mr Brian Jones	Director Waste Services
Mrs Prapti Mehta	Acting Director Regional Services
Ms Theresa Eckstein	Executive Assistant to Chief Executive Officer
Ms Mary-Ann Winnett	Personal Assistant to Director Corporate Services (Minutes)

EMRC Observers

Mr Steve Fitzpatrick	Manager Project Development
Mr David Ameduri	Manager Financial Services
Ms Yulia Volobueva	Environmental Projects Coordinator

Observers

Mr Bob Jarvis	Chief Executive Officer	Town of Bassendean
Mr Mike Foley	Chief Executive Officer	City of Swan
Mr Doug Pearson	Director Technical Services	City of Bayswater
Mr Ric Lutey	Director Technical Services	City of Belmont

Guests

Mr Gerald Tetchner (<i>to 6.44pm</i>)	Enertech Engineering Consultants
Ms Janine Barber (<i>to 6.44pm</i>)	

Visitors

Mr Ian Walters
Mr Ron Snelgar
Mr Martin Chape



3 DISCLOSURE OF INTERESTS

3.1 PETER B. SCHNEIDER – CEO – INTERESTS AFFECTING IMPARTIALITY:

Item: 19.1
Subject: Item 13.1 of the Chief Executive Officer Performance Review Committee – The Chief Executive Officer's Annual Performance Review, Contract Review and Remuneration Review Process.
Nature of Interest: Disclosure of Interests Affecting Impartiality, EMRC Code of Conduct 1.3(a). Subject matter of the Report directly relates to the Chief Executive Officer.

3.2 PRAPTI MEHTA – MANAGER ORGANISATIONAL DEVELOPMENT – INTERESTS AFFECTING IMPARTIALITY:

Item: 19.1
Subject: Item 13.1 of the Chief Executive Officer Performance Review Committee – The Chief Executive Officer's Annual Performance Review, Contract Review and Remuneration Review Process.
Nature of Interest: Disclosure of Interests Affecting Impartiality, EMRC Code of Conduct 1.3(a). Reporting relationship to the CEO.

4 ANNOUNCEMENT BY THE CHAIRMAN OR PERSON PRESIDING WITHOUT DISCUSSION

4.1 CLIMATE ADAPTATION CHAMPIONS AWARD

In June 2011 the EMRC was selected as a finalist in the National Climate Change Adaptation Research Facility's (NCCARF) inaugural Climate Adaptation Champions Award.

Ms Yulia Volobueva, the Environmental Projects Coordinator presented the certificate to Council and provided a summary of the award and advised that EMRC's climate adaptation model was used by other Councils and will feature on National Climate Change Adaptation Research Facility's website and in their media.

4.2 ANNOUNCEMENT ON NEW MEMBERS OF THE WASTE AUTHORITY

The Minister for Environment; Water Mr Bill Marmion announced the new members of the Waste Authority in a media statement yesterday. They are:

Jennifer Bloom	A change management expert
Neil Foley	A regional and urban planner
Marcus Geisler	The only existing member reappointed; and
Michele Rosano	Who heads up the Sustainable Engineering Group at Curtin University and is a former Councillor from the City of Joondalup

4.3 LETTER OF THANKS FROM GIDGEGANNUP PLAYGROUP

EMRC received a letter on 23 June 2011 from the Gidgegannup Playgroup expressing their thanks for their 2010/2011 community grant and advised that they had spent the money on a number of products for their playgroup which would benefit the children who use their facility.

4.4 ATTENDANCE AT AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION NATIONAL GENERAL ASSEMBLY

The Chairman, CEO and three member Council Councillors attended the Australian Local Government Association National General Assembly in Canberra. The Conference provided a good networking opportunity. It was discussed that there may be a referendum at the next election to recognise local government in the Constitution to allow the Commonwealth Government to fund them.



5 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

5.1 QUESTIONS FROM MR RON SNELGAR

The following questions were taken on notice at the Council meeting held on 19 May 2011 and a written response was supplied to Mr Snelgar as follows:

Question 1: I refer to this evening's Agenda and in particular Item 14.2, captioned, Financial Report for the period 31 March 2011.

Can you please advise the commencement date of the period?

Response: The CEO advised that Financial Reports are reported on a financial year basis with a commencement date of 1 July 2010. Item 14.2 updated the year to date figure for the results covering 1 March 2011 to 31 March 2011.

Question 2: I refer to Item 14.2, Point 8 Page 16, "Unrealised Gains or Loss from change in fair value of investments for the period ended 31 March 2011".

Mr Chairman, can you please confirm that the unrealised gain was in fact \$1,015,633? The explanation provided on page 16 is conflicting.

Response: The Director Corporate Services explained that the gains/losses from changes in fair value of investments (\$1,015,633) included the proceeds from the sale of an ADI, five (5) CDOs and the maturity of two (2) ADI's above the book value of the investments. Consistent with accounting standards, these investments were previously written down and following the disposal, profits of \$891,810 over book value were realised. The EMRC has been in discussion with the auditors about the presentation of the profit from disposal. Going forward, the gains and losses from change in fair value of investments will be presented separately for unrealised gains/losses and realised gains/losses from the disposal or maturity of investments.

5.2 QUESTIONS FROM MR IAN WALTERS

The following questions were taken on notice at the Council meeting held on 19 May 2011 and a written response was supplied to Mr Walters as follows:

Question 1: My question relates to the EMRC investment report March 2011.

From a credit risk perspective Mr Chairman, investment held in Westpac Banking Corporation and St George Bank should be grouped, do you agree?

Response: The Director Corporate Services confirmed that the ownership issue of St George Bank by Westpac had been considered following advice from EMRC's financial advisors. Collectively investments held in St George and Westpac are within the counterparty credit limits per the Council Policy.

Question 2: Can you please provide an update on legal proceedings relative to Lehman Brothers CDO's investment.

Response: The CEO advised that it has been reported in the press that several local governments are involved in a class action against Lehman Brothers regarding the CDOs investments. Closing submissions were made in May 2011 to be followed by the decision of the judge, which in the normal case would take 1 – 3 months.

Due to unresolved insurance claim issues being dealt with by the liquidator, they cannot make any offer to fix the amount of a claim or assess proofs of debt at this time. The proof of debt to be submitted by the EMRC, as with all other creditors, will not be assessed by the liquidator until the insurance claims are resolved.

Question 3: I refer to Department of Local Government – Compliance Audit Return furnished at February 2011 Council meeting and in particular reference number 46 Admin Regulation 13 "Did the local government make available for public inspection unconfirmed minutes of all Council meetings within 10 days after Council meetings" which has been answered yes, Mr Chairman this is incorrect. Please arrange for return to be amended to reflect true position.



Item 5.2 continued

Response: The CEO reaffirmed the EMRC's position that it had complied with the requirement to make available for public inspection unconfirmed minutes for all Council meetings within 10 days after Council meetings. It is noted that the 10 days referred to are in fact business days.

Question 4: I refer to my meeting at the EMRC with yourself and CEO on 18 October 2010 and your subsequent confirmation at Council meeting held 2 December 2010 that all matters discussed had been completed.

Mr Chairman, liaison with the City of Bayswater as recent as today reveals they have not received information as promised. Can you please advise method by which the appropriate information is being disseminated.

Response: The CEO advised that EMRC's Investment Reports were included in the agenda of each of its Council meetings which are provided to the City of Bayswater.

6 PUBLIC QUESTION TIME

6.1 QUESTION FROM MR IAN WALTERS

Question 1: I refer to Item 6.2 Question 1 raised at last Council meeting and I quote "from a credit perspective whereby I asked did you agree investment held in Westpac Banking Corporation and St George Bank should be grouped."

It appears from your response my question has been misconstrued. I note in this evening's statements that relative investments have been grouped which is commendable.

Please confirm this is now policy.

Response: The CEO advised that the EMRC had been in contact with its investment advisors and they had clarified that Westpac Banking Corporation and St George Bank should be categorised together.

7 APPLICATION FOR LEAVE OF ABSENCE

7.1 CRS ALAN RADFORD, FRANK LINDSEY AND GRAHAM PITTAWAY - LEAVE OF ABSENCE

COUNCIL RESOLUTION(S)

MOVED CR GODFREY

SECONDED CR POWELL

THAT COUNCIL APPROVE APPLICATIONS FOR LEAVE OF ABSENCE FOR CR RADFORD FROM 23 JULY 2011 TO 2 AUGUST 2011 INCLUSIVE, CR LINDSEY FROM 11 JULY 2011 TO 23 JULY 2011 INCLUSIVE AND CR PITTAWAY FROM 1 AUGUST 2011 TO 12 AUGUST 2011 INCLUSIVE.

CARRIED UNANIMOUSLY

8 PETITIONS, DEPUTATIONS AND PRESENTATIONS

8.1 PRESENTATION ON ANAEROBIC DIGESTION TECHNOLOGIES

The Manager Project Development introduced Mr Gerald Tetchner of Enertech Engineering Consultants who gave a presentation on anaerobic digestion technologies.

Mr Tetchner departed the meeting at 6.44pm.



9 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

9.1 MINUTES OF ORDINARY MEETING OF COUNCIL MEETING HELD ON 19 MAY 2011

That the minutes of the Ordinary Meeting of Council held on 19 May 2011 which have been distributed, be confirmed.

COUNCIL RESOLUTION

MOVED CR PULE

SECONDED CR POWELL

THAT THE MINUTES OF THE ORDINARY MEETING OF COUNCIL HELD ON 19 MAY 2011 WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY

10 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

11 QUESTIONS WITHOUT NOTICE

Nil

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

NOTE: Section 5.23(2) of the Local Government Act 1995, details a number of matters upon which Council may discuss and make decisions without members of the public being present. These matters include: matters affecting employees; personal affairs of any person; contractual matters; legal advice; commercial-in-confidence matters; security matters; among others.

The following report items are covered in section 19 of this agenda:

12.1 ITEM 13.1 OF THE CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW COMMITTEE

THE CHIEF EXECUTIVE OFFICER'S ANNUAL PERFORMANCE REVIEW, CONTRACT REVIEW AND REMUNERATION REVIEW PROCESS

12.2 ITEM 10.1 OF THE RESOURCE RECOVERY COMMITTEE

RESOURCE RECOVERY FACILITY - ACCEPTABLE TENDERERS

13 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



14 REPORTS OF OFFICERS

QUESTIONS

The Chairman invited questions from members on the reports of officers.

RECOMMENDATION

That with the exception of items, which are to be withdrawn and dealt with separately, the recommendations in the Officers Reports (Section 14) be adopted.

COUNCIL RESOLUTION

MOVED CR CUCCARO

SECONDED CR LINDSEY

THAT WITH THE EXCEPTION OF ITEMS 14.6 AND 14.7, WHICH ARE TO BE WITHDRAWN AND DEALT WITH SEPARATELY, THE RECOMMENDATIONS IN THE OFFICERS REPORTS (SECTION 14) BE ADOPTED.

CARRIED UNANIMOUSLY



14 REPORTS OF OFFICERS

14.1 LIST OF ACCOUNTS PAID DURING THE MONTH OF MAY 2011

REFERENCE: COMMITTEES-12445

PURPOSE OF REPORT

The purpose of this report is to present to Council a list of accounts paid under the Chief Executive Officer's delegated authority during the month of May 2011 for noting.

KEY ISSUES AND RECOMMENDATION(S)

- As per the requirements of the Local Government (Financial Management) Regulations 1996 (Regulation 13(1)) the list of accounts paid during the month of May 2011 is provided for noting.

Recommendation(s)

That Council notes the CEO's list of accounts for May 2011 paid under delegated power in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996, as attached to this report totalling \$5,441,851.09.

SOURCE OF REPORT

Director Corporate Services
Manager Financial Services

BACKGROUND

Council has delegated to the Chief Executive Officer (CEO) the exercise of its power to make payments from the Municipal Fund and Trust Fund. In accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996, a list of accounts paid by the CEO is to be provided to Council, where such delegation is made.

REPORT

The table below summarises the payments drawn on the funds during the month of May 2011. A list detailing the payments made is appended as an attachment to this report.

Municipal Fund	EFT Payments:	19718 – 20007	
	Cheque Payments:	219040 – 219061	
	Payroll EFT:	PAY-23, PAY-23.1 & PAY-24	
	DIRECT DEBITS		
	- Bank Charges:	1*MAY11	
	- Other:	492 - 498	\$5,441,851.09
	LESS		
	Cancelled EFTs and Cheques		Nil
Trust Fund	Not Applicable		Nil
Total			\$5,441,851.09



Item 14.1 continued

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

- 4.6 To provide responsible and accountable governance and management of the EMRC
- 4.7 To continue to improve financial and asset management practices

FINANCIAL IMPLICATIONS

As contained within the report

SUSTAINABILITY IMPLICATIONS

Nil

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

CEO's Delegated Payments List for the months of May 2011 (Ref: Committees-12486)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council notes the CEO's list of accounts for May 2011 paid under delegated power in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996, as attached to this report totalling \$5,441,851.09.

COUNCIL RESOLUTION(S)

MOVED CR CUCCARO

SECONDED CR LINDSEY

THAT COUNCIL NOTES THE CEO'S LIST OF ACCOUNTS FOR MAY 2011 PAID UNDER DELEGATED POWER IN ACCORDANCE WITH REGULATION 13(1) OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996, AS ATTACHED TO THIS REPORT TOTALLING \$5,441,851.09.

CARRIED UNANIMOUSLY



Eastern Metropolitan Regional Council

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CEO's DELEGATED PAYMENTS LIST FOR THE MONTH OF MAY 2011

User: Le Truong

Cheque /EFT No	Date	Payee	Amount
EFT19718	04/05/2011	FUJI XEROX AUSTRALIA PTY LTD	68.12
EFT19719	04/05/2011	KLB SYSTEMS	1,386.00
EFT19720	04/05/2011	ALL DAY CONTRACTING	311.07
EFT19721	04/05/2011	ALLIGHT PTY LTD	597.85
EFT19722	04/05/2011	ANALYTICAL REFERENCE LABORATORY	148.50
EFT19723	04/05/2011	ANIMAL PEST MANAGEMENT SERVICES	346.50
EFT19724	04/05/2011	AUSTRALIAN HVAC SERVICES	550.00
EFT19725	04/05/2011	B&J CATALANO PTY LTD	586.56
EFT19726	04/05/2011	BOBCAT ATTACH	1,122.00
EFT19727	04/05/2011	CHAMBERLAIN AUTO ELECTRICS	2,130.76
EFT19728	04/05/2011	CJD EQUIPMENT PTY LTD	6,035.74
EFT19729	04/05/2011	COATES HIRE OPERATIONS PTY LTD	367.19
EFT19730	04/05/2011	CPR ELECTRICAL SERVICES	79,200.00
EFT19731	04/05/2011	EDWIN DELL	49.48
EFT19732	04/05/2011	FAIRFAX RADIO NETWORK PTY LTD	8,439.20
EFT19733	04/05/2011	FOAM SALES	84.00
EFT19734	04/05/2011	GC SALES (WA)	286.00
EFT19735	04/05/2011	HABITAT TREE FARM	115.50
EFT19736	04/05/2011	HAYS SPECIALIST RECRUITMENT	1,546.88
EFT19737	04/05/2011	HILLS FRESH	76.34
EFT19738	04/05/2011	ISS WASHROOM SERVICES	52.43
EFT19739	04/05/2011	LANDFILL GAS & POWER PTY LTD	5,779.63
EFT19740	04/05/2011	LIQUID ENGINEERING PTY LTD	177.10
EFT19741	04/05/2011	MACHINERY WAREHOUSE	235.00
EFT19742	04/05/2011	MAJOR MOTORS PTY LTD	543.86
EFT19743	04/05/2011	MJ & AR BAMFORD	17,240.05
EFT19744	04/05/2011	NEVERFAIL SPRINGWATER	186.50
EFT19745	04/05/2011	NEVERFAIL SPRINGWATER LTD - HAZELMERE	248.85
EFT19746	04/05/2011	ON SITE RENTALS PTY LTD	649.55
EFT19747	04/05/2011	PAYG PAYMENTS	50,401.60
EFT19748	04/05/2011	PIRTEK	126.29
EFT19749	04/05/2011	PRIME HEALTH GROUP LTD	253.00
EFT19750	04/05/2011	PROTECTOR ALSAFE PTY LTD	191.21
EFT19751	04/05/2011	RADIO PERTH PTY LTD	2,829.20
EFT19752	04/05/2011	RECLAIM COLLECTIONS T/A TYRE WASTE (WA)	390.05
EFT19753	04/05/2011	ROSS HUMAN DIRECTIONS	21,016.36
EFT19754	04/05/2011	RUDD INDUSTRIAL AND FARM SUPPLIES	533.59
EFT19755	04/05/2011	SPUDS GARDENING SERVICES	8,215.00
EFT19756	04/05/2011	STIRLING LOWLOADER SERVICES	792.00
EFT19757	04/05/2011	TELSTRA - A/C 008 2879 300 - SECONDARY WASTE PRJ	171.28
EFT19758	04/05/2011	TELSTRA - A/C 163 4688 200 - HAZELMERE	177.79
EFT19759	04/05/2011	TOTALLY WORKWEAR MIDLAND	549.06
EFT19760	04/05/2011	TRANSPACIFIC CLEANAWAY LTD	458.51
EFT19761	04/05/2011	UNIQUE WASTE MANAGEMENT SERVICES	8,827.83
EFT19762	04/05/2011	VOLICH WASTE CONTRACTORS PTY LTD	44.00
EFT19763	04/05/2011	WA BROILER GROWERS ASSOCIATION (INC)	2,656.50
EFT19764	04/05/2011	WA MACHINERY GLASS	154.00
EFT19765	04/05/2011	WESTCARE INDUSTRIES	816.75
EFT19766	04/05/2011	WESTERN AUSTRALIAN LOCAL GOVERNMENT	1,900.00
EFT19767	04/05/2011	WESTRAC EQUIPMENT PTY LTD	253.62
EFT19768	04/05/2011	WREN OIL	17.32
EFT19769	04/05/2011	WURTH AUSTRALIA PTY LTD	354.88
EFT19770	04/05/2011	YOUNG AUSTRALIAN TOURISM ASSOCIATION (YATA)	60.00
EFT19771	06/05/2011	JOYCE EARTHMOVING PTY LTD	2,160.00
EFT19772	06/05/2011	AHA! CONSULTING	4,235.00



Eastern Metropolitan Regional Council
CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF MAY 2011

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User: Le Truong

Cheque /EFT No	Date	Payee	Amount
EFT19773	06/05/2011	AIR FILTER DRY CLEAN SYSTEMS PTY LTD	108.14
EFT19774	06/05/2011	ANDREW PRITCHARD PHOTOGRAPHY	2,354.00
EFT19775	06/05/2011	AUSTRALIAN HVAC SERVICES	660.00
EFT19776	06/05/2011	BOSS PTY LTD T/A TRISET BUSINESS FORMS	2,398.00
EFT19777	06/05/2011	BP GIDGEGANNUP	32.20
EFT19778	06/05/2011	CHERRY'S CATERING AND LIQUOR	447.00
EFT19779	06/05/2011	CHIDLOW WATER CARRIERS	170.00
EFT19780	06/05/2011	CLIFTON PERTH	1,265.00
EFT19781	06/05/2011	CMA RECYCLING PTY LTD	1,391.12
EFT19782	06/05/2011	COATES HIRE OPERATIONS PTY LTD	130.00
EFT19783	06/05/2011	COVENTRYS	226.42
EFT19784	06/05/2011	ENVIRONMENTAL DATA LOGISTICS PTY LTD	1,440.00
EFT19785	06/05/2011	FILTERS PLUS	33.83
EFT19786	06/05/2011	IMPRINT PLASTIC	123.20
EFT19787	06/05/2011	JAYCOURT NOMINEES P/L T/A BARFIELD EARTHMOVING	10,765.00
EFT19788	06/05/2011	KELLY SERVICES (AUSTRALIA) LTD	163.41
EFT19789	06/05/2011	LEN FRENCH FENCING CONTRACTOR	2,724.00
EFT19790	06/05/2011	OAKS LIQUOR	503.70
EFT19791	06/05/2011	ODOUR CONTROL SYSTEMS INTERNATIONAL LTD	11,822.58
EFT19792	06/05/2011	ROSS HUMAN DIRECTIONS	7,195.48
EFT19793	06/05/2011	SIGN SUPERMARKET	268.40
EFT19794	06/05/2011	TELSTRA - A/C 295 7816 000 - RED HILL	669.34
EFT19795	06/05/2011	WESTRAC EQUIPMENT PTY LTD	84.49
EFT19796	11/05/2011	KLB SYSTEMS	9,801.00
EFT19797	11/05/2011	SNAP BURSWOOD	300.00
EFT19798	11/05/2011	360 RECYCLING PTY LTD	592.90
EFT19799	11/05/2011	ALGA (AUSTRALASIAN LAND & GROUNDWATER ASSOCIATION)	50.00
EFT19800	11/05/2011	ALL DAY CONTRACTING	37,818.29
EFT19801	11/05/2011	BEAUMONDE CATERING	1,967.18
EFT19802	11/05/2011	BIN BATH AUSTRALIA PTY LTD	271.04
EFT19803	11/05/2011	BRING COURIERS	1,044.14
EFT19804	11/05/2011	BUNNINGS BUILDING SUPPLIES PTY LTD	31.92
EFT19805	11/05/2011	C & H SWEEPING	297.00
EFT19806	11/05/2011	CAPITAL TRANSPORT SERVICES (WA) PTY LTD	1,511.16
EFT19807	11/05/2011	CITY SUBARU	317.15
EFT19808	11/05/2011	CMS EVENTS	2,640.00
EFT19809	11/05/2011	COMPLIANCE MONITORING PTY LTD	4,224.00
EFT19810	11/05/2011	COMPU-STOR	793.93
EFT19811	11/05/2011	COMSYNC CONSULTING PTY LTD	2,931.50
EFT19812	11/05/2011	COOL CLEAR WATER GROUP LTD	290.40
EFT19813	11/05/2011	CORPORATE EXPRESS AUSTRALIA LTD	87.85
EFT19814	11/05/2011	COVENTRYS	69.62
EFT19815	11/05/2011	EMERSON NETWORK POWER AUSTRALIA PTY LTD	5,821.20
EFT19816	11/05/2011	FREEHILLS	2,668.75
EFT19817	11/05/2011	GOURMET INDULGENCE	286.00
EFT19818	11/05/2011	HILLS FRESH	64.51
EFT19819	11/05/2011	INDEPTH INTERACTIVE	1,100.00
EFT19820	11/05/2011	JAYCOURT NOMINEES PTY LTD T/A BARFIELD MECHANICAL SERVICES	8,650.15
EFT19821	11/05/2011	LANDFILL GAS & POWER PTY LTD	3,290.27
EFT19822	11/05/2011	LINFOX ARMAGUARD PTY LTD	329.80
EFT19824	11/05/2011	MIDLAND TOYOTA	292.62
EFT19825	11/05/2011	NEVERFAIL SPRINGWATER	87.00
EFT19826	11/05/2011	NEVERFAIL SPRINGWATER LTD - HAZELMERE	57.00
EFT19827	11/05/2011	NGALA COMMUNITY SERVICES	550.00



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EFT19828	11/05/2011	PRESTIGE PUMP RENTALS	707.15
EFT19829	11/05/2011	ROSS HUMAN DIRECTIONS	6,611.66
EFT19830	11/05/2011	SHUGS ELECTRICAL	6,311.80
EFT19831	11/05/2011	SPUDS GARDENING SERVICES	1,220.00
EFT19832	11/05/2011	STEVENSON CONSULTING	2,772.00
EFT19833	11/05/2011	TELSTRA - A/C 335 6242 598 - MOBILE PHONES	929.71
EFT19834	11/05/2011	TELSTRA - A/C 3356 2426 14 (MOBILE DATA)	178.00
EFT19835	11/05/2011	TOLL PRIORITY	157.71
EFT19836	11/05/2011	TOTALLY WORKWEAR MIDLAND	476.31
EFT19837	11/05/2011	UNIQUE WASTE MANAGEMENT SERVICES	2,407.68
EFT19838	11/05/2011	WESTRAC EQUIPMENT PTY LTD	483.96
EFT19839	11/05/2011	WREN OIL	34.64
EFT19840	13/05/2011	MOTORCHARGE PTY LTD	6,047.77
EFT19841	13/05/2011	FUJI XEROX AUSTRALIA PTY LTD	1,497.54
EFT19842	13/05/2011	GREG MILLER T/A MARGINATA FINE FURNITURE	1,100.00
EFT19843	13/05/2011	HOSECO (WA) PTY LTD	54.60
EFT19844	13/05/2011	AHA! CONSULTING	577.50
EFT19845	13/05/2011	AIR FILTER DRY CLEAN SYSTEMS PTY LTD	193.94
EFT19846	13/05/2011	ALL DAY CONTRACTING	22,900.00
EFT19847	13/05/2011	BATTERY WORLD	35.00
EFT19848	13/05/2011	BUNNINGS BUILDING SUPPLIES PTY LTD	17.60
EFT19849	13/05/2011	CHAMBERLAIN AUTO ELECTRICS	296.95
EFT19850	13/05/2011	CORPORATE EXPRESS AUSTRALIA LTD	1,299.75
EFT19851	13/05/2011	ELEMENT HYDROGRAPHIC SOLUTIONS	783.20
EFT19852	13/05/2011	ELLENBROOK BUS SERVICE	209.00
EFT19853	13/05/2011	ENCYCLE CONSULTING PTY LTD	7,084.00
EFT19854	13/05/2011	ENVIROGROWER PTY LTD	409.20
EFT19855	13/05/2011	EARTHWEST - EQUIPMENT GROUP AUSTRALIA T/S LIFTWEST (WA)	66.00
EFT19856	13/05/2011	FILTERS PLUS	203.78
EFT19857	13/05/2011	HAYS SPECIALIST RECRUITMENT	1,237.50
EFT19858	13/05/2011	INTEWORK INC	664.05
EFT19859	13/05/2011	JAYCOURT NOMINEES PTY LTD T/A BARFIELD MECHANICAL SERVICES	2,247.30
EFT19860	13/05/2011	MCGLINN TRANSPORT P/L	161.50
EFT19861	13/05/2011	NORDIC HOMES PTY LTD	19,368.00
EFT19862	13/05/2011	ON SITE RENTALS PTY LTD	207.90
EFT19863	13/05/2011	SUBARU WANGARA	458.75
EFT19864	13/05/2011	SWAN GOLD TOURS	430.00
EFT19865	13/05/2011	SYNERGY	972.90
EFT19866	13/05/2011	TOTALLY WORKWEAR MIDLAND	209.38
EFT19867	13/05/2011	TRANSPACIFIC CLEANAWAY LTD	93.36
EFT19868	13/05/2011	VALLEY ROAD PTY T/A CHICA CATERING	1,053.50
EFT19869	13/05/2011	VERTICAL TELECOM WA PTY LTD (VERTEL)	176.00
EFT19870	13/05/2011	WA HINO SALES AND SERVICE	1,020.09
EFT19871	13/05/2011	WORKPAC PTY LTD	992.66
EFT19872	18/05/2011	KLB SYSTEMS	4,031.50
EFT19873	18/05/2011	ALL DAY CONTRACTING	4,741.32
EFT19874	18/05/2011	ASTAR HARDWARE DISTRIBUTION	523.05
EFT19875	18/05/2011	AUSTRALIA POST - ASCOT PLACE	67.15
EFT19876	18/05/2011	AUSTRALIAN HVAC SERVICES	2,544.90
EFT19877	18/05/2011	BP AUSTRALIA LIMITED (A/C 10092625)	464.80
EFT19878	18/05/2011	BP GIDGEGANNUP	9.10
EFT19879	18/05/2011	BRIAN JONES	301.85
EFT19880	18/05/2011	BUNNINGS BUILDING SUPPLIES PTY LTD	7.96
EFT19881	18/05/2011	C4 CONCEPTS PTY LTD	286.00



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EFT19882	18/05/2011	CARDNO (WA) PTY LTD	13,192.05
EFT19883	18/05/2011	CORPORATE EXPRESS AUSTRALIA LTD	116.56
EFT19884	18/05/2011	CSE-TRANSTEL PTY LTD	272.80
EFT19885	18/05/2011	DITCH WITCH AUSTRALIA PTY LTD	966.90
EFT19886	18/05/2011	DUN & BRADSTREET PTY LTD	17.30
EFT19887	18/05/2011	GOURMET INDULGENCE	71.50
EFT19888	18/05/2011	HAYS SPECIALIST RECRUITMENT	928.13
EFT19889	18/05/2011	HILLS FRESH	70.02
EFT19890	18/05/2011	JAYCOURT NOMINEES PTY LTD T/A BARFIELD MECHANICAL SERVICES	297.00
EFT19891	18/05/2011	KOTT GUNNING LAWYERS	155.98
EFT19892	18/05/2011	MAIL PLUS PERTH	277.20
EFT19893	18/05/2011	PERTH SECURITY SERVICES - MCW CORPORATION PTY LTD	6,209.28
EFT19894	18/05/2011	MISS MAUD	42.95
EFT19895	18/05/2011	MORRISSEY MARKETING	1,150.00
EFT19896	18/05/2011	MUNDARING TYRE CENTRE	532.00
EFT19897	18/05/2011	NEVERFAIL SPRINGWATER	139.20
EFT19898	18/05/2011	NEVERFAIL SPRINGWATER LTD - HAZELMERE	94.25
EFT19899	18/05/2011	OAKVALE CAPITAL LTD	2,405.82
EFT19900	18/05/2011	PARKS & LEISURE AUSTRALIA	440.00
EFT19901	18/05/2011	RUDD INDUSTRIAL AND FARM SUPPLIES	151.80
EFT19902	18/05/2011	SPUDS GARDENING SERVICES	810.00
EFT19903	18/05/2011	TEAM MANAGEMENT SYSTEMS	2,018.50
EFT19904	18/05/2011	TIM DAVIES LANDSCAPING PTY LTD	1,313.13
EFT19905	18/05/2011	TOTALLY WORKWEAR MIDLAND	191.95
EFT19906	18/05/2011	TRANSPACIFIC CLEANAWAY LTD	220.00
EFT19907	18/05/2011	ULTIMO CATERING	1,441.00
EFT19908	18/05/2011	UNIQUE WASTE MANAGEMENT SERVICES	727.10
EFT19909	18/05/2011	WESTERN AUSTRALIAN LOCAL GOVERNMENT	4,595.00
EFT19910	18/05/2011	WORKPAC PTY LTD	944.71
EFT19911	19/05/2011	PAYG PAYMENTS	64,408.15
EFT19912	20/05/2011	BP AUSTRALIA LIMITED (A/C 10092625)	74,472.87
EFT19913	20/05/2011	EARTHWEST - EQUIPMENT GROUP AUSTRALIA T/S LIFTWEST (WA)	738.35
EFT19914	20/05/2011	MORLEY GENERAL CLEANING SERVICE	8,445.78
EFT19915	20/05/2011	SEA CONTAINERS WA PTY LTD	5,000.00
EFT19916	20/05/2011	SEME ELECTRICAL ENGINEERING	7,782.50
EFT19917	20/05/2011	AIR FILTER DRY CLEAN SYSTEMS PTY LTD	462.96
EFT19918	20/05/2011	AUSTRALIA POST - RED HILL	270.70
EFT19919	20/05/2011	AUSTRALIAN LABORATORY SERVICES PTY LTD	4,925.80
EFT19920	20/05/2011	B&J CATALANO PTY LTD	163.32
EFT19921	20/05/2011	BUNNINGS BUILDING SUPPLIES PTY LTD	60.60
EFT19922	20/05/2011	CHEMCENTRE	749.10
EFT19923	20/05/2011	CJD EQUIPMENT PTY LTD	1,140.91
EFT19924	20/05/2011	COMMAND-A-COM AUSTRALIA PTY LTD	697.40
EFT19925	20/05/2011	COVENTRYS	134.82
EFT19926	20/05/2011	CUTTING EDGES PTY LTD	671.47
EFT19927	20/05/2011	ESP PTY LTD (ENVIRONMENTALLY SOUND PRODUCTS PTY LTD)	1,096.94
EFT19928	20/05/2011	FREEHILLS	2,530.00
EFT19929	20/05/2011	HAYS SPECIALIST RECRUITMENT	2,052.68
EFT19930	20/05/2011	KOTT GUNNING LAWYERS	3,410.66
EFT19931	20/05/2011	LANDFILL GAS & POWER PTY LTD	3,030.24
EFT19932	20/05/2011	MACHINERY WAREHOUSE	774.00
EFT19933	20/05/2011	MARTINUS CONSULTING PTY LTD	32,450.00
EFT19934	20/05/2011	MIDLAND TOYOTA	680.64



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EFT19935	20/05/2011	MUNDARING TYRE CENTRE	35.00
EFT19936	20/05/2011	NATIONAL TAX MANAGER	132.00
EFT19937	20/05/2011	NEVERFAIL SPRINGWATER LTD - COPPIN ROAD	118.25
EFT19938	20/05/2011	NEVERFAIL SPRINGWATER LTD - HAZELMERE	172.25
EFT19939	20/05/2011	OAKS LIQUOR	829.74
EFT19940	20/05/2011	ON SITE RENTALS PTY LTD	257.40
EFT19941	20/05/2011	ROSS HUMAN DIRECTIONS	13,047.13
EFT19942	20/05/2011	RUDD INDUSTRIAL AND FARM SUPPLIES	59.48
EFT19943	20/05/2011	SNAP PRINTING	180.36
EFT19944	20/05/2011	THE FUNK FACTORY	500.00
EFT19945	20/05/2011	TOTALLY WORKWEAR MIDLAND	557.76
EFT19946	20/05/2011	ULTIMO CATERING	686.00
EFT19947	20/05/2011	WESTRAC EQUIPMENT PTY LTD	623.83
EFT19948	23/05/2011	CITY OF BELMONT	1,238.61
EFT19949	23/05/2011	JOONDALUP PHOTO DESIGN	1,800.00
EFT19950	25/05/2011	BULLIVANTS PTY LTD	450.82
EFT19951	25/05/2011	IPING PTY LTD	1,128.80
EFT19952	25/05/2011	ABOUT BIKE HIRE	1,696.00
EFT19953	25/05/2011	BALSHAWS FLORIST	69.50
EFT19954	25/05/2011	HAYS SPECIALIST RECRUITMENT	1,546.88
EFT19955	25/05/2011	HILLS FRESH	65.84
EFT19956	25/05/2011	INSTITUTE OF PUBLIC WORKS ENG. AUST. LTD.	550.00
EFT19957	25/05/2011	KALLIP PTY LTD	1,457.50
EFT19958	25/05/2011	KONICA MINOLTA BUSINESS SOLUTIONS AUSTRALIA P/L	1,458.72
EFT19959	25/05/2011	LANDFILL GAS & POWER PTY LTD	3,980.45
EFT19960	25/05/2011	LANDMARK OPERATIONS LIMITED	1,141.49
EFT19961	25/05/2011	MITZA NOMINEES PTY LTD T/A PROFESSIONAL LOCKSERVICE	1,346.79
EFT19962	25/05/2011	NEVILLE REFRIGERATION	2,145.00
EFT19963	25/05/2011	PRESTIGE ALARMS	605.00
EFT19964	25/05/2011	ROSS HUMAN DIRECTIONS	4,561.29
EFT19965	25/05/2011	RUDD INDUSTRIAL AND FARM SUPPLIES	331.75
EFT19966	25/05/2011	SHUGS ELECTRICAL	66.00
EFT19967	25/05/2011	SLR CONSULTING AUSTRALIA PTY LTD	8,360.00
EFT19968	25/05/2011	SOLCO LTD	40,000.00
EFT19969	25/05/2011	SPUDS GARDENING SERVICES	2,059.00
EFT19970	25/05/2011	STANTONS INTERNATIONAL	10,450.00
EFT19971	25/05/2011	SYNERGY	158.65
EFT19972	25/05/2011	TELSTRA - A/C 148 4710 000 - ASCOT PLACE	2,218.26
EFT19973	25/05/2011	TELSTRA - A/C 163 4688 200 - HAZELMERE	175.80
EFT19974	25/05/2011	TELSTRA - A/C 246 2455 400 - RH SECURITY MONITOR	38.50
EFT19975	25/05/2011	TELSTRA - A/C 256 0950 500 - ASCOT PLACE LIFT	19.25
EFT19976	25/05/2011	THE COMPOST TEA COMPANY	450.00
EFT19977	25/05/2011	TOTALLY WORKWEAR MIDLAND	312.73
EFT19978	25/05/2011	TRANSLATION HOUSE	2,134.00
EFT19979	25/05/2011	ULTIMO CATERING	615.00
EFT19980	25/05/2011	UNIQUE WASTE MANAGEMENT SERVICES	440.00
EFT19981	25/05/2011	WA MACHINERY GLASS	121.00
EFT19982	25/05/2011	WESTERN RECYCLING PTY LTD	96.80
EFT19983	25/05/2011	WORKPAC PTY LTD	629.81
EFT19984	25/05/2011	RELIABLE PROCESS MAINTENANCE PTY LTD	1,645.88
EFT19985	27/05/2011	ACCESS INDUSTRIAL TYRES	976.80
EFT19986	27/05/2011	ADCORP	16,872.20
EFT19987	27/05/2011	AIR FILTER DRY CLEAN SYSTEMS PTY LTD	302.68
EFT19988	27/05/2011	AMBIUS	963.65
EFT19989	27/05/2011	B&J CATALANO PTY LTD	344.13



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EFT19990	27/05/2011	CABCHARGE	6.00
EFT19991	27/05/2011	CARDNO (WA) PTY LTD	13,296.18
EFT19992	27/05/2011	CARPENTRY, HOUSE AND YARD MAINTENANCE	530.00
EFT19993	27/05/2011	CHAMBERLAIN AUTO ELECTRICS	695.20
EFT19994	27/05/2011	CHEMCENTRE	628.10
EFT19995	27/05/2011	COATES HIRE OPERATIONS PTY LTD	613.61
EFT19996	27/05/2011	CORPORATE EXPRESS AUSTRALIA LTD	249.13
EFT19997	27/05/2011	COVENTRYS	80.30
EFT19998	27/05/2011	CROSSLAND & HARDY PTY LTD	3,810.21
EFT19999	27/05/2011	DIRECT TRADES SUPPLY	2,943.60
EFT20000	27/05/2011	GRA EVERINGHAM PTY LTD	5,500.00
EFT20001	27/05/2011	SHUGS ELECTRICAL	50.60
EFT20002	27/05/2011	STANTONS INTERNATIONAL	686.40
EFT20003	27/05/2011	SYNERGETICS ENVIRONMENTAL ENGINEERING	73,783.16
EFT20004	27/05/2011	UNIQUE WASTE MANAGEMENT SERVICES	572.00
EFT20005	27/05/2011	VALLEY ROAD PTY T/A CHICA CATERING	771.50
EFT20006	27/05/2011	WESTERN AUSTRALIAN LOCAL GOVERNMENT	869.00
EFT20007	31/05/2011	WALGS PLAN	74,955.10
219040	02/05/2011	WATER CORPORATION	2,475.40
219041	04/05/2011	EMRC PETTY CASH - REDHILL	194.97
219042	06/05/2011	EMRC PETTY CASH - BELMONT	963.25
219043	11/05/2011	EASTERN METROPOLITAN REGIONAL COUNCIL	280.00
219044	13/05/2011	3 AUSTRALIA	107.00
219045	24/05/2011	ST GEORGE BANK	1,740.00
219046	25/05/2011	EMRC PETTY CASH - REDHILL	154.50
219047	31/05/2011	COMMONWEALTH BANK SUPERANNUATION	385.13
219048	31/05/2011	GENERATIONS PERSONAL SUPERANNUATION PLAN	464.59
219049	31/05/2011	AMP LIFE LTD	1,233.96
219050	31/05/2011	AMP Super Leader	180.04
219051	31/05/2011	ANZ STAFF SUPER	339.70
219052	31/05/2011	ANZ SUPER ADVANTAGE	388.25
219053	31/05/2011	AUSTRALIAN SUPER	738.90
219054	31/05/2011	BT BUSINESS SUPER	957.11
219055	31/05/2011	BT LIFETIME - PERSONAL SUPER	489.72
219056	31/05/2011	CBUS INDUSTRY SUPER	442.82
219057	31/05/2011	NORWICH UNION LIFE INSURANCE SOCIETY	590.15
219058	31/05/2011	ONEPATH LIFE LTD	573.26
219059	31/05/2011	PRIME SUPER	358.48
219060	31/05/2011	WESTSCHEME	1,968.25
219061	31/05/2011	ZURICH AUSTRALIAN SUPERANNUATION	483.78
492	16/05/2011	BANKWEST	2,000,000.00
493	18/05/2011	ANZ BANKING GROUP	1,500,000.00
494	30/05/2011	WBC - CORPORATE MASTER CARD - D AMEDURI	168.91
495	30/05/2011	WBC - CORPORATE MASTER CARD - S FITZPATRICK	380.02
496	30/05/2011	WBC - CORPORATE MASTERCARD - H LIEW	544.60
497	30/05/2011	WBC - CORPORATE MASTERCARD - RHONDA HARDY	90.00
498	30/05/2011	ANZ BANKING GROUP	500,000.00
PAY-23	10/05/2011	PAYROLL FE 10/5/11	173,502.11
PAY-23.1	18/05/2011	PAYROLL	27,074.39
PAY-24	24/05/2011	PAYROLL FE 24/5/11	178,532.08
1*MAY11	02/05/2011	BANK CHARGES B/S 1404 - 1409	1,149.67
SUB TOTAL			5,441,851.09

LESS CANCELLED CHEQUES & EFTs

Nil



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No	Date	Payee		Amount
			TOTAL	5,441,851.09

REPORT TOTALS

Bank Code	Bank Name	TOTAL
1	EMRC - Municipal Fund	5,441,851.09
TOTAL		5,441,851.09

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14.2 FINANCIAL REPORT FOR PERIOD ENDED 30 APRIL 2011

REFERENCE: COMMITTEES-12388

PURPOSE OF REPORT

The purpose of this report is to provide Council with an overview of the Eastern Metropolitan Regional Council's (EMRC's) financial performance for the period ended 30 April 2011.

KEY ISSUES AND RECOMMENDATION(S)

- Significant year to date budget variances greater than 10% or \$10,000, whichever is the greater, within each nature and type category on the Statement of Financial Activity as at 30 April 2011 have been identified and are reported on in the body of the report.

Recommendation(s)

That the Income Statement, Capital Expenditure Statement, Balance Sheet and the Statement of Cash and Investments for the period ended 30 April 2011 be received.

SOURCE OF REPORT

Director Corporate Services
Manager Financial Services

BACKGROUND

It is a requirement of the Local Government (Financial Management) Regulations 1996 (Regulation 34) that a local government is to prepare and present to Council financial reports in such a form as the local government considers to be appropriate.

The 2010/2011 Budget was presented in a format that separated operating income and expenditure from other revenue and expenses to provide improved disclosure of Council's underlying operating result.

The financial summaries attached to this report provide an overview of year to date budget performance for operating activities and capital works.

The initial forecast review for 2010/2011 was undertaken during February 2011 and was based on the financial performance to the period ended 31 December 2010.

A Balance Sheet is also provided with year to date actual balances compared with budget provisions and end of year forecasts for all balance sheet items.

REPORT

Outlined below are financial summaries for the period ended 30 April 2011. Where possible, the year to date monthly budget allocations have been reviewed in order to match the appropriate timing for the various projects budgeted to be undertaken. This will provide a better comparison between the year to date actual and year to date budget figures.



Item 14.2 continued

Income Statement - Nature and Type (refer Attachment 1)

The operating result from normal activities as at 30 April 2011 is a favourable variance of \$1,398,116. The following information is provided on key aspects of Council's financial performance:

<u>Operating Income</u>	<i>Year to Date</i>	A favourable variance of \$755,220 (3.30%).
	<i>End of Year Forecast</i>	A favourable variance of \$582,191 (2.11%).

Operating Income variances previously reported to Council:

1. Year end Special Charges are forecast to be below the annual budget provision by \$44,234 or 14.20%. This is attributable to lower than budgeted Community Waste Education Income from member Councils (\$25,291) and WMRC (\$19,943) as a result of lower than budgeted tonnages.
2. Year to date (YTD) Interest Earnings on Municipal Cash and Investments of \$600,820 is \$476,460 above the YTD budget provision of \$124,360. This is offset by the year to date Interest Earnings on Restricted Cash Investments which is \$408,508 below the YTD budget. The variance between the two categories of income is a result of the accounting treatment of accrued interest applicable to the Municipal and Reserve funds. Interest earnings income is allocated to the appropriate funds when received.

End of year Interest Earnings on Municipal Cash and Investments has been forecast to be above the annual provision by \$491,156. This represents the expected increase in value of accrued interest (approximately \$166,000) to be brought to account at year end as well as additional interest earnings resulting from lower than year to date operating & capital expenditure. (Refer also Interest Restricted Cash Investments).

3. Reimbursements income as at year end has been forecast to be above the annual budget provision by \$198,882 (28.75%).

Significant variances to Reimbursements are attributable to:

- Forecast reimbursement of workers compensation payments totalling approximately \$30,000 that was not budgeted for.
 - Additional forecast income totalling approximately \$26,000 from the Department of Environment and Conservation for the reimbursement of electronic waste collection & recycling expenses.
 - Net reimbursement income directly relating to the operations at the Kalamunda, Mathieson and Coppin Roads Transfer Stations has been forecast to be \$615,481 compared to a budget provision of \$553,024. This variance relates to the additional level of contract labour & wages staff being utilised at the sites. The higher reimbursement income is offset by corresponding higher expenditure in the Contract Labour and Salaries expenditure.
 - Income associated with the recoupment of costs relating to the Forum of Regional Councils (FORC) has been forecast to increase by approximately \$66,042.
4. YTD Other Income of \$965,374 is \$151,525 (18.62%) above the YTD budget provision of \$813,849. This is attributable primarily to income of \$860,329 compared to a YTD budget provision of \$682,619 derived from the sale of laterite, greenwaste and other products from the Red Hill Waste Management Facility, together with income generated from the sale of various products at the Hazelmere site.

Other Income as at year end has been forecast to be above the annual budget provision by \$93,038 (9.30%).



Item 14.2 continued

There were no further significant Operating Income variances as at 30 April 2011.

<u>Operating Expenditure</u>	<i>Year to Date</i>	A favourable variance of \$642,896 (3.14%).
	<i>End of Year Forecast</i>	A favourable variance of \$966,198 (3.56%).

Operating Expenditure variances previously reported to Council:

1. Material Expenses at the end of the year have been forecast to be below the budget provision by \$162,782 (14.68%). The use of a new type of alternative fibre-based material used for intermediate / daily cover is expected to generate savings of approximately \$100,000. Additionally there is a forecast reduction in printing related expenditure throughout all divisions of the organisation totalling \$31,626.
2. YTD Utility Expenses of \$116,567 are \$15,743 (11.90%) below the YTD budget provision of \$132,310. Major variations include the lower level of electricity consumed to date (\$73,251 compared to a YTD budget provision of \$79,600) and the lower level of telephone expenses to date (\$38,391 compared to a YTD budget provision of \$50,510).
3. The end of year forecast for Provision Expenses has been forecast to be \$44,903 (31.99%) lower than the annual budget provision of \$140,383. These provisions related directly to the level of tonnages received. An over budget annual provision of \$25,035 was originally made for the Environmental Monitoring provision. This has been adjusted and is reflected in the year end forecasts. The balance of the variation reflects the forecast decrease in Class III tonnages.

There were no further significant Operating Expenditure variances as at 30 April 2011.

<u>*Other Revenues and Expenses (Net)</u>	<i>Year to Date</i>	A favourable variance of \$853,500 (20.45%).
	<i>End of Year Forecast</i>	A favourable variance of \$299,749 (5.77%).

** Note: This section also includes Unrealised Gain/Loss from change in fair value of Investments*

Other Revenues and Expenses variances previously reported to Council:

1. YTD Interest Earnings on Restricted Cash Investments is \$408,508 below the YTD budget provision of \$1,428,340. This is offset by the year to date Interest earnings on Municipal Cash and Investments which is \$476,460 more than the YTD budget. This variation between the two categories of income is a result of the accounting treatment of accrued interest applicable to the Municipal and Reserve funds. Interest earnings income is allocated to the appropriate funds when received.

End of year Interest Earnings on Restricted Cash Investments has been forecast to be below the annual provision by \$351,768. This is offset by a favourable variation of \$491,156 in the forecast Municipal Cash & Investments interest earnings (Refer also Interest Municipal Cash and Investments).
 2. YTD Proceeds from Sale of Assets are \$45,390 (20.89%) above the year to date budget provision of \$217,246. This relates specifically to the timing on the disposal by auction of fleet vehicles due for change over.

Proceeds from Sale of Assets as at year end have been forecast to be \$153,017 (34.36%) below the annual budget provision. This again relates specifically to the timing on the disposal by auction of fleet vehicles due for change and is offset by a corresponding reduction in the Carrying Amount of Assets Disposed Of accounts.
-



Item 14.2 continued

3. YTD Carrying Amount of Assets Disposed Of is \$30,037 (18.09%) below the year to date budget provision of \$166,000. This relates specifically to the timing on the disposal by auction of fleet vehicles due for change over.

Carrying Amount of Assets Disposed Of as at year end is forecast to be below the annual budget provision by \$153,628 (36.04%). This reduction relates specifically to the timing on the disposal by auction of fleet vehicles due for change over. This amount is offset by a corresponding reduction in the Proceeds from Sale of Assets accounts.

4. Salary Expenses are \$90,806 (38.06%) below the budget on a YTD basis. This is attributable to the timing of recruiting a new budgeted staff member (Project Development Officer) for Resource Recovery.
 It has been forecast that full year Salary expenses will be below budget provisions by \$112,800 (34.29%).
5. The year end forecast for Contract Expenses is \$90,038 (17.30%) above the budget provision of \$520,600 and relates primarily to the additional provisions required for Task 15 of the Resource Recovery project - Seek Environmental Approvals, which was subject to a report to Council at its meeting held 21 October 2010.
6. The end of year forecast for Material Expenses is \$16,950 (53.72%) below the annual budget provision of \$31,550. This primarily reflects a reduction in printing requirements for the Resource Recovery project for this financial year.
7. It has been forecast that the full year Miscellaneous Expenses will be below budget provisions by \$30,415 (26.73%) principally reflecting a reduction in advertising requirements within the Resource Recovery project for this financial year.
8. The total change in fair value of investments for the period ending 30 April 2011 is a gain of \$1,021,757. This is made up of unrealised gains of \$129,947 and realised gains of \$891,810. The Unrealised Gains or Loss from the change in fair value of investments is made up from the change in value of ADI's since 30 June 2010.

The Realised Gains or Loss from the change in fair value of investments represents the profit above book value from the sale of an ADI, five (5) CDO's and the maturity of two (2) ADI's during the year.

Unrealised Gains or Losses represent a fair market value measurement of the financial instruments during the period in which they are held, i.e. marked to market. It should be noted that actual gains or losses on financial instruments will not be realised until such time as the individual investments are sold.

There were no further significant Other Revenues and Expenses variances as 30 April 2011.

Capital Expenditure Statement (refer Attachment 2)

<u>Capital Expenditure</u>	<i>Year to Date</i>	A favourable variance of \$1,059,017.
	<i>End of Year Forecast</i>	A favourable variance of \$892,631.

Capital Expenditure variances:

A favourable variance of \$1,059,017 exists as at 30 April 2011 when compared to the YTD budget provision. The YTD budget provisions are used as a guide only as expenditure of a capital nature is undertaken as and when required.

Capital Expenditure has been forecast to be below the annual budget provisions by \$892,631 (14.10%) at year end.



Item 14.2 continued

Significant variances to current capital budgets are attributable to:

- A cost decrease of \$248,732 in the purchase/replacement of vehicles at the Ascot Place Administration centre. Vehicle replacements are dependent on timing with change over occurring at 40,000km or 3 years whichever occurs first. It is forecast that certain vehicles will have reached the changeover criteria later than what has been provided for in the 5 year vehicle replacement programme and will be budgeted for in the 2011/2012 financial year.
- A reduction of \$220,200 relating to the purchase of Information Technology and Communications equipment. This amount, which includes a \$60,000 provision for a communications tower at the Red Hill Waste Disposal facility, will be carried forward into the 2011/2012 financial year.
- A reduction of \$390,000 for the purchase of land at the Red Hill Waste Management Facility. This amount will be carried forward into the 2011/2012 financial year.
- A reduction of \$138,000 for the construction of siltation ponds at the Red Hill Waste Disposal Facility. The capital expenditure will be carried forward into the 2011/2012 financial year.
- A forecast increase of \$110,225 for the purchase of plant at the Hazelmere Waste facility. This relates to an additional contingency amount for the installation of the outdoor fixed electric wood waste grinder system. This was previously approved by Council at the 2 December 2010 meeting.
- A cost increase of \$200,000 for the upgrade of the hydraulic fire services at the Hazelmere Waste facility. This additional capital expenditure is offset by an equivalent reduction in geotechnical investigations operating costs and was subject to a report to Council at the 17 February 2011 meeting.

Balance Sheet (refer Attachment 3)

The Balance Sheet shows the overall impact of actual balances compared with budget provisions and end of year forecasts for operating and capital works activities.

It has been forecast that Total Equity as at 30 June 2011 will be above the original budget estimate of \$58,494,603 by \$1,848,138. This variation reflects the increase in forecast profits in 2010/2011.

Statement of Cash and Investments (refer Attachment 4)

The level of Cash and Investments in the Municipal fund as at 30 April 2011 is \$13,049,629 and Restricted Assets amount to \$20,801,544. This figure is net of cumulative unrealised losses of \$4,240,192 which have been provided for in this amount.

The total level of Cash and Investments as at 30 April 2011 is \$33,851,172.

The net movement for the month is a decrease of \$1,336,144.

The forecast level of Cash and Investments of \$34,188,863 for 2010/2011 represents the expected balances for the Municipal and Reserve funds at the end of the financial year.

The year to date actual Municipal Cash and Investments reflects the current balance to date and is dependent on the timing of payments made and income received. It should also be noted that the transfers to and from the Reserve funds are undertaken at the end of the financial year.

Investment Report (refer Attachment 5)

Three (3) term deposits matured in the month of April 2011. Two were re-invested into further term deposits together with additional surplus funds being invested into one of the new term deposits.



Item 14.2 continued

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 - Good Governance

- 4.6 To provide responsible and accountable governance and management of the EMRC
- 4.7 To continue to improve financial and asset management practices

FINANCIAL IMPLICATIONS

As outlined in the attached financial reports.

SUSTAINABILITY IMPLICATIONS

Nil

ATTACHMENT(S)

1. Income Statement by Nature and Type (Ref: Committees-12403)
2. Capital Expenditure Statement (Ref: Committees-12404)
3. Balance Sheet (Ref: Committees-12400)
4. Statement of Cash and Investments (Ref: Committees-12401)
5. Investment Report (Ref: Committees-12402)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That the Income Statement, Capital Expenditure Statement, Balance Sheet and the Statement of Cash and Investments for the period ended 30 April 2011 be received.

COUNCIL RESOLUTION(S)

MOVED CR CUCCARO

SECONDED CR LINDSEY

THAT THE INCOME STATEMENT, CAPITAL EXPENDITURE STATEMENT, BALANCE SHEET AND THE STATEMENT OF CASH AND INVESTMENTS FOR THE PERIOD ENDED 30 APRIL 2011 BE RECEIVED.

CARRIED UNANIMOUSLY



INCOME STATEMENT

Nature and Type

Year to Date

April 2011

Full Year

Actual

Budget

Variance

Current
BudgetForecast
ChangeEnd of Year
Forecast

Operating Income

(\$19,338,000)	(\$19,152,075)	(\$185,925)	(F)	User Charges	(\$23,105,970)	\$201,697	(U)	(\$22,904,273)
(\$225,627)	(\$227,400)	\$1,773	(U)	Special Charges	(\$311,456)	\$44,234	(U)	(\$267,222)
(\$535,454)	(\$493,155)	(\$42,299)	(F)	Contributions	(\$516,826)	(\$42,068)	(F)	(\$558,894)
(\$1,337,027)	(\$1,466,398)	\$129,371	(U)	Operating Grants	(\$1,797,977)	(\$2,978)	(F)	(\$1,800,955)
(\$600,820)	(\$124,360)	(\$476,460)	(F)	Interest Municipal Cash Investments	(\$149,250)	(\$491,156)	(F)	(\$640,406)
(\$606,225)	(\$576,070)	(\$30,155)	(F)	Reimbursements	(\$691,746)	(\$198,882)	(F)	(\$890,628)
(\$965,374)	(\$813,849)	(\$151,525)	(F)	Other	(\$1,000,943)	(\$93,038)	(F)	(\$1,093,981)
(\$23,608,527)	(\$22,853,307)	(\$755,220)	(F)	Total Operating Income	(\$27,574,168)	(\$582,191)	(F)	(\$28,156,359)

Operating Expenditure

\$5,497,599	\$5,671,108	(\$173,509)	(F)	Salary Expenses	\$7,129,055	(\$235,708)	(F)	\$6,893,347
\$3,792,753	\$3,982,013	(\$189,260)	(F)	Contract Expenses	\$5,891,006	\$67,610	(U)	\$5,958,616
\$604,942	\$653,942	(\$49,000)	(F)	Material Expenses	\$1,109,227	(\$162,782)	(F)	\$946,445
\$116,567	\$132,310	(\$15,743)	(F)	Utility Expenses	\$158,436	(\$3,704)	(F)	\$154,732
\$559,603	\$572,987	(\$13,384)	(F)	Fuel Expenses	\$690,630	(\$36,100)	(F)	\$654,530
\$12,586	\$10,750	\$1,836	(U)	Finance Fees and Interest Expenses	\$12,900	\$4,400	(U)	\$17,300
\$178,118	\$181,313	(\$3,195)	(F)	Insurance Expenses	\$194,530	\$17,378	(U)	\$211,908
\$2,566,433	\$2,628,430	(\$61,997)	(F)	Depreciation Expenses	\$3,579,279	(\$271,679)	(F)	\$3,307,600
\$6,637,399	\$6,772,459	(\$135,060)	(F)	Miscellaneous Expenses	\$8,459,575	(\$290,909)	(F)	\$8,168,666
\$49,332	\$49,500	(\$168)	(F)	Provision Expenses	\$140,383	(\$44,903)	(F)	\$95,480
(\$193,169)	(\$189,753)	(\$3,416)	(F)	Costs Allocated	(\$220,241)	(\$9,801)	(F)	(\$230,042)
\$19,822,163	\$20,465,059	(\$642,896)	(F)	Total Operating Expenditure	\$27,144,780	(\$966,198)	(F)	\$26,178,582

(\$3,786,364)	(\$2,388,248)	(\$1,398,116)	(F)	OPERATING RESULT FROM NORMAL ACTIVITIES	(\$429,388)	(\$1,548,389)	(F)	(\$1,977,777)
Surplus	Surplus				Surplus			Surplus

Notes:

1. User Charges - include member Councils, WMRC and casual users pertaining to waste, risk management and environmental services fees and charges;
2. Special Charges - Waste Education Levy;
3. Contributions - member Councils' contributions to predominately from government agencies; and
5. Miscellaneous Expenses - includes Landfill Levy as the major component.

Operating Income and Expenditure relates to the ordinary operations of the organisation.

Other Revenues and Expenses relates to the Resource Recovery Project, interest from cash reserves and disposal of assets.

(F) denotes Favourable variance and (U) denotes Unfavourable variance



INCOME STATEMENT

Nature and Type

Year to Date

April 2011

Full Year

Actual

Budget

Variance

Current
BudgetForecast
ChangeEnd of Year
Forecast

Other Revenues

(\$3,653,742)	(\$3,601,760)	(\$51,982)	(F)	Secondary Waste Charge	(\$4,687,717)	\$362,885	(U)	(\$4,324,832)
(\$1,019,832)	(\$1,428,340)	\$408,508	(U)	Interest Restricted Cash Investments	(\$1,714,079)	\$351,768	(U)	(\$1,362,311)
(\$109)	(\$1,300)	\$1,191	(U)	Reimbursements	(\$1,550)	\$900	(U)	(\$650)
(\$262,636)	(\$217,246)	(\$45,390)	(F)	Proceeds from Sale of Assets	(\$445,362)	\$153,017	(U)	(\$292,345)
(\$4,936,319)	(\$5,248,646)	\$312,327	(U)	Total Other Revenues	(\$6,848,708)	\$868,570	(U)	(\$5,980,138)

Other Expenses

\$147,805	\$238,611	(\$90,806)	(F)	Salary Expenses	\$328,928	(\$112,800)	(F)	\$216,128
\$395,002	\$431,990	(\$36,988)	(F)	Contract Expenses	\$520,600	\$90,038	(U)	\$610,638
\$8,631	\$9,683	(\$1,052)	(F)	Material Expenses	\$31,550	(\$16,950)	(F)	\$14,600
\$2,126	\$2,660	(\$534)	(F)	Utility Expenses	\$3,200	\$0	(F)	\$3,200
\$1,714	\$1,959	(\$245)	(F)	Insurance Expenses	\$2,355	(\$300)	(F)	\$2,055
\$5,618	\$5,450	\$168	(U)	Depreciation Expenses	\$6,556	(\$221)	(F)	\$6,335
\$41,898	\$36,543	\$5,355	(U)	Miscellaneous Expenses	\$113,800	(\$30,415)	(F)	\$83,385
\$135,963	\$166,000	(\$30,037)	(F)	Carrying Amount of Assets Disposed Of	\$426,241	(\$153,628)	(F)	\$272,613
\$193,169	\$183,100	\$10,069	(U)	Costs Allocated	\$219,741	\$9,801	(U)	\$229,542
\$931,926	\$1,075,996	(\$144,070)	(F)	Total Other Expenses	\$1,652,971	(\$214,475)	(F)	\$1,438,496

Realised/Unrealised (Gain)/Loss From Change in Fair Value of Investments

(\$129,947)	\$0	(\$129,947)	(F)	Unrealised (Gain)/Loss	\$0	(\$62,034)	(F)	(\$62,034)
(\$891,810)	\$0	(\$891,810)	(F)	Realised (Gain)/Loss	\$0	(\$891,810)	(F)	(\$891,810)
(\$1,021,757)	\$0	(\$1,021,757)	(F)	Total (Gain)/Loss from change in Fair Value of Investments	\$0	(\$953,844)	(F)	(\$953,844)

(\$5,026,150)	(\$4,172,650)	(\$853,500)	(F)	OPERATING RESULT FROM OTHER ACTIVITIES	(\$5,195,737)	(\$299,749)	(F)	(\$5,495,486)
Surplus	Surplus				Surplus			Surplus

(\$8,812,514)	(\$6,560,898)	(\$2,251,616)	(F)	CHANGE IN NET ASSETS FROM OPERATIONS	(\$5,625,125)	(\$1,848,138)	(F)	(\$7,473,263)
Surplus	Surplus				Surplus			Surplus



CAPITAL EXPENDITURE STATEMENT

APRIL 2011

Full Year

Year to Date			On Order	(F) = Favourable variation (U) = Unfavourable variation		Full Year			End of Year Forecast
Actual	Budget	Variance				Current Budget	Forecast Change		

Governance and Corporate Services

\$139,691	\$174,553	(\$34,862)	(F)	\$0	Purchase Vehicles - Ascot Place (24440/00)	\$422,232	(\$248,732)	(F)	\$173,500
\$23,441	\$16,000	\$7,441	(U)	\$0	Purchase Furniture Fittings & Equipment - Corporate Services (24510/01)	\$24,000	\$0	(F)	\$24,000
\$102,492	\$110,000	(\$7,508)	(F)	\$5,625	Purchase Information Technology & Communication Equipment (24550/00)	\$380,200	(\$220,200)	(F)	\$160,000
\$3,070	\$0	\$3,070	(U)	\$0	Purchase Office Furniture and Fittings - Corporate Services (24610/01)	\$0	\$0	(F)	\$0
\$11,182	\$11,514	(\$332)	(F)	\$0	Purchase Art Works (24620/00)	\$17,273	\$0	(F)	\$17,273
\$11,010	\$0	\$11,010	(U)	\$0	Purchase/ Replace Miscellaneous Furniture and Equipment-Ascot Place (24690/00)	\$0	\$0	(F)	\$0
\$63,349	\$179,160	(\$115,811)	(F)	\$5,414	Capital Improvement Administration Building - Ascot Place (25240/01)	\$215,000	\$10,000	(U)	\$225,000
\$6,901	\$0	\$6,901	(U)	\$1,257	Upgrade Security Equipment - Ascot Place (25530/01)	\$0	\$10,000	(U)	\$10,000
\$361,136	\$491,227	(\$130,091)	(F)	\$12,296		\$1,058,705	(\$448,932)	(F)	\$609,773

CAPITAL EXPENDITURE STATEMENT

APRIL 2011

Full Year

Year to Date			On Order	(F) = Favourable variation (U) = Unfavourable variation		Current Budget	Forecast Change	End of Year Forecast
Actual	Budget	Variance						

Environmental Services

\$5,360	\$1,332	\$4,028	(U)	\$0	Purchase Office Equipment - Environmental Services (24510/05)	\$2,000	\$3,400	(U)	\$5,400
\$0	\$1,000	(\$1,000)	(F)	\$0	Purchase Office Furniture and Fittings - Environmental Services (24610/05)	\$1,500	\$0	(F)	\$1,500
\$5,360	\$2,332	\$3,028	(U)	\$0		\$3,500	\$3,400	(U)	\$6,900

Regional Development

\$0	\$0	\$0	(F)	\$0	Purchase Office Equipment - Regional Development (24510/04)	\$1,000	(\$1,000)	(F)	\$0
\$1,077	\$1,000	\$77	(U)	\$1,258	Purchase Office Furniture and Fittings - Regional Development (24610/04)	\$1,500	\$1,000	(U)	\$2,500
\$1,077	\$1,000	\$77	(U)	\$1,258		\$2,500	\$0	(F)	\$2,500

Risk Management

\$0	\$332	(\$332)	(F)	\$0	Purchase Office Equipment - Risk Management (24510/06)	\$500	\$0	(F)	\$500
\$0	\$332	(\$332)	(F)	\$0	Purchase Office Furniture and Fittings - Risk Management (24610/06)	\$500	\$0	(F)	\$500
\$0	\$664	(\$664)	(F)	\$0		\$1,000	\$0	(F)	\$1,000

Resource Recovery

\$0	\$0	\$0	(F)	\$0	Construct and Commission Resource Recovery Facility (24399/00)	\$0	\$2,053	(U)	\$2,053
\$0	\$10,000	(\$10,000)	(F)	\$0	Construct and Commission Resource Recovery Park (24399/01)	\$50,000	(\$30,000)	(F)	\$20,000
\$0	\$666	(\$666)	(F)	\$0	Purchase Office Equipment - Resource Recovery (24510/07)	\$1,000	\$0	(F)	\$1,000
\$15,420	\$666	\$14,754	(U)	\$0	Purchase Other Equipment - Resource Recovery (24590/07)	\$1,000	\$30,000	(U)	\$31,000

CAPITAL EXPENDITURE STATEMENT

APRIL 2011

Full Year

Year to Date			On Order	(F) = Favourable variation (U) = Unfavourable variation		Full Year			End of Year Forecast
Actual	Budget	Variance				Current Budget	Forecast Change		
Resource Recovery									
\$1,932	\$666	\$1,266	(U)	\$0	Purchase Office Furniture and Fittings - Resource Recovery (24610/07)	\$1,000	\$1,000	(U)	\$2,000
\$17,352	\$11,998	\$5,354	(U)	\$0		\$53,000	\$3,053	(U)	\$56,053

Waste Management

\$0	\$0	\$0	(F)	\$0	Purchase Waste Management Land - Midland Brick (24150/02)	\$500,000	(\$390,000)	(F)	\$110,000
\$7,289	\$328,332	(\$321,043)	(F)	\$263,675	Construct Waste Management Facility Buildings - Red Hill Landfill Facility (24250/01)	\$410,000	\$0	(F)	\$410,000
\$189,142	\$200,000	(\$10,858)	(F)	\$4,325	Construct Waste Management Facility Buildings - Hazelmere (24250/02)	\$200,000	\$20,000	(U)	\$220,000
\$0	\$0	\$0	(F)	\$0	Investigate and Design Number 3 Workshop - Redhill Landfill Facility (24259/01)	\$60,000	(\$60,000)	(F)	\$0
\$36,157	\$21,000	\$15,157	(U)	\$0	Construct Waste Management Facility Buildings - Other - Hazelmere (24259/02)	\$21,000	\$15,411	(U)	\$36,411
\$1,422	\$50,000	(\$48,578)	(F)	\$42,500	Upgrade Power - Redhill Landfill Facility (24259/03)	\$50,000	\$0	(F)	\$50,000
\$0	\$5,000	(\$5,000)	(F)	\$0	Construct Class III Cell Farm Stage 2 - Red Hill Landfill Facility (24310/11)	\$5,000	\$0	(F)	\$5,000
\$0	\$8,000	(\$8,000)	(F)	\$0	Construct Siltation Ponds - Red Hill Landfill Facility (24350/00)	\$158,000	(\$138,000)	(F)	\$20,000
\$0	\$0	\$0	(F)	\$0	Construct Nutrient Stripping Pond - Red Hill Landfill Facility (24360/00)	\$50,000	(\$50,000)	(F)	\$0
\$1,057	\$21,500	(\$20,443)	(F)	\$0	Construct Roads / Carparks - Red Hill Landfill Facility (24370/00)	\$100,000	(\$61,225)	(F)	\$38,775
\$101,851	\$100,000	\$1,851	(U)	\$5,410	Construct Weighbridge - Hazelmere (24392/00)	\$150,000	(\$50,000)	(F)	\$100,000

CAPITAL EXPENDITURE STATEMENT

APRIL 2011

					APRIL 2011	Full Year				
Year to Date			On Order	(F) = Favourable variation (U) = Unfavourable variation		Current Budget	Forecast Change		End of Year Forecast	
Actual	Budget	Variance								
Waste Management										
\$19,623	\$40,000	(\$20,377)	(F)	\$0	Construct Water Storage Dams - Red Hill Landfill Facility (24393/00)	\$80,000	(\$40,000)	(F)	\$40,000	
\$0	\$7,150	(\$7,150)	(F)	\$0	Construct Perimeter Fencing - Red Hill Landfill Facility (24394/00)	\$8,600	\$0	(F)	\$8,600	
\$27,571	\$41,660	(\$14,089)	(F)	\$758	Construct Hardstand and Road - Hazelmere (24395/01)	\$50,000	(\$2,418)	(F)	\$47,582	
\$0	\$5,000	(\$5,000)	(F)	\$0	Construct Monitoring Bores - Red Hill Landfill Facility (24396/00)	\$30,000	(\$25,000)	(F)	\$5,000	
\$79,091	\$133,056	(\$53,965)	(F)	\$20,118	Construct Solar PV Tracking System - Red Hill Landfill Facility (24399/02)	\$160,179	\$0	(F)	\$160,179	
\$29,000	\$238,666	(\$209,666)	(F)	\$289,111	Purchase / Replace Plant - Red Hill Landfill Facility (24410/00)	\$358,000	\$0	(F)	\$358,000	
\$2,287,126	\$2,365,265	(\$78,139)	(F)	\$28,728	Purchase / Replace Plant - Hazelmere (24410/01)	\$2,365,265	\$110,225	(U)	\$2,475,490	
\$36,780	\$133,332	(\$96,552)	(F)	\$817	Purchase / Replace Minor Plant and Equipment-Red Hill Landfill Facility (24420/00)	\$200,000	\$0	(F)	\$200,000	
\$8,995	\$15,000	(\$6,005)	(F)	\$0	Purchase / Replace Minor Plant and Equipment - Hazelmere (24420/02)	\$15,000	\$0	(F)	\$15,000	
\$0	\$0	\$0	(F)	\$0	Purchase Minor Plant and Equipment - Education Centre - Redhill Landfill Facility (24420/07)	\$0	\$1,310	(U)	\$1,310	
\$94,740	\$60,145	\$34,595	(U)	\$33,744	Purchase / Replace Vehicles - Red Hill Landfill Facility (24430/00)	\$60,145	\$35,855	(U)	\$96,000	
\$0	\$366	(\$366)	(F)	\$0	Purchase / Replace Office Equipment - Engineering / Waste Management (24510/02)	\$550	\$0	(F)	\$550	
\$312	\$4,666	(\$4,354)	(F)	\$0	Purchase / Replace Office Equipment - Red Hill Landfill Facility (24510/08)	\$7,000	\$0	(F)	\$7,000	

CAPITAL EXPENDITURE STATEMENT

APRIL 2011

Full Year

Year to Date			On Order	(F) = Favourable variation (U) = Unfavourable variation		Current Budget	Forecast Change		End of Year Forecast
Actual	Budget	Variance							
Waste Management									
\$0	\$400	(\$400)	(F)	\$0	Purchase Fire Fighting System/Equipment - Hazelmere (24520/07)	\$600	\$200,000	(U)	\$200,600
\$0	\$666	(\$666)	(F)	\$0	Purchase / Replace Fire Fighting Equipment - Red Hill Landfill Facility (24520/08)	\$1,000	\$0	(F)	\$1,000
\$12,274	\$30,000	(\$17,726)	(F)	\$600	Purchase / Replace Security System - Red Hill Waste Management Facility (24530/08)	\$45,000	\$0	(F)	\$45,000
\$5,750	\$26,666	(\$20,916)	(F)	\$5,172	Purchase / Replace Other Equipment - Red Hill Landfill Facility (24590/00)	\$40,000	\$0	(F)	\$40,000
\$5,960	\$8,240	(\$2,280)	(F)	\$3,232	Purchase / Replace Miscellaneous Plant & Equipment - Hazelmere (24590/02)	\$8,240	\$0	(F)	\$8,240
\$3,233	\$3,666	(\$433)	(F)	\$0	Purchase/Replace Other Equipment - Engineering and Waste Management (24590/03)	\$5,500	\$0	(F)	\$5,500
\$0	\$2,500	(\$2,500)	(F)	\$0	Purchase Office Furniture and Fittings-Engineering and Waste Management (24610/03)	\$2,500	\$0	(F)	\$2,500
\$0	\$4,332	(\$4,332)	(F)	\$0	Purchase / Replace Office Furniture and Fittings - Red Hill Landfill Facility (24610/08)	\$6,500	\$0	(F)	\$6,500
\$0	\$1,500	(\$1,500)	(F)	\$363	Purchase Office Furniture and Fittings-Hazelmere (24610/10)	\$1,500	\$0	(F)	\$1,500
\$0	\$7,326	(\$7,326)	(F)	\$0	Purchase Miscellaneous Furniture and Fittings - Red Hill Education Programme (24690/01)	\$9,000	\$0	(F)	\$9,000
\$0	\$7,326	(\$7,326)	(F)	\$0	Refurbish Environmental Education Centre - Redhill Landfill Facility (25253/00)	\$9,000	(\$1,310)	(F)	\$7,690
\$0	\$8,333	(\$8,333)	(F)	\$30,000	Refurbish Waste Transfer Station Building - Red Hill Landfill Facility (25259/01)	\$25,000	\$0	(F)	\$25,000
\$0	\$5,000	(\$5,000)	(F)	\$0	Refurbish Plant - Red Hill Landfill Facility (25410/00)	\$20,000	(\$15,000)	(F)	\$5,000
\$2,947,372	\$3,884,093	(\$936,721)	(F)	\$728,554		\$5,212,579	(\$450,152)	(F)	\$4,762,427



CAPITAL EXPENDITURE STATEMENT

APRIL 2011

Full Year

Year to Date			On Order	(F) = Favourable variation (U) = Unfavourable variation		Current Budget	Forecast Change	End of Year Forecast
Actual	Budget	Variance						
\$3,332,297	\$4,391,314	(\$1,059,017)	(F)	\$742,108	TOTAL CAPITAL EXPENDITURE	\$6,331,284	(\$892,631) (F)	\$5,438,653



Actual 2009/2010	Actual Year to Date	(F) = Favourable variation (U) = Unfavourable variation	Full Year			
			Current Budget 2010/2011	Forecast Change		Forecast 2010/2011
Current Assets						
\$3,819,119	\$3,377,742	Cash and Cash Equivalents	\$5,236,621	\$875,390	(F)	\$6,112,011
\$24,625,523	\$30,473,430	Investments	\$26,688,404	\$1,388,448	(F)	\$28,076,852
\$2,484,281	\$2,853,468	Trade and Other Receivables	\$2,484,281	\$0	(F)	\$2,484,281
\$23,408	\$54,501	Inventories	\$23,408	\$0	(F)	\$23,408
\$73,514	\$202,908	Other Assets	\$73,514	\$0	(F)	\$73,514
\$31,025,845	\$36,962,049	Total Current Assets	\$34,506,228	\$2,263,838	(F)	\$36,770,066
Current Liabilities						
\$4,830,408	\$2,703,517	Trade and Other Payables	\$4,830,408	\$0	(F)	\$4,830,408
\$1,074,972	\$1,074,972	Provisions	\$1,109,055	(\$6,500)	(F)	\$1,102,555
\$5,905,380	\$3,778,489	Total Current Liabilities	\$5,939,463	(\$6,500)	(F)	\$5,932,963
\$25,120,465	\$33,183,560	Net Current Assets	\$28,566,765	\$2,270,338	(F)	\$30,837,103



CASH AND INVESTMENTS

APRIL 2011

Full Year

Actual
2009/2010

YTD Actual
2010/2011

(F) = Favourable variation
(U) = Unfavourable variation

Current
Budget
2010/2011

Forecast
Change

Forecast
2010/2011

Municipal Cash and Investments

3,815,819	3,374,092	Cash at Bank - Municipal Fund 01001/00	5,233,321	875,390	(F)	6,108,711
1,250	1,250	Cash on Hand - Ascot Place 01019/00	1,250	0	(F)	1,250
600	600	Cash on Hand - Walliston/Mathieson & Coppin Road Transfer Stations 01019/01	600	0	(F)	600
1,450	1,800	Cash on Hand - Red Hill / Hazelmere 01019/02	1,450	0	(F)	1,450
6,243,092	9,671,886	Investments - Municipal Fund 02021/00	1,781,357	894,036	(F)	2,675,393
10,062,210	13,049,629	Total Municipal Cash	7,017,977	1,769,426	(F)	8,787,403

Restricted Cash and Investments

387,395	385,089	Restricted Investments - Plant and Equipment 02022/01	117,727	(96,839)	(U)	20,888
2,660,225	2,644,394	Restricted Investments - Site Rehabilitation Red Hill 02022/02	2,626,312	0	(F)	2,626,312
510,222	507,186	Restricted Investments - Future Development 02022/03	1,744,546	0	(F)	1,744,546
292,292	290,553	Restricted Investments - Environmental Monitoring Red Hill 02022/04	312,193	0	(F)	312,193
224,245	222,911	Restricted Investments - Environmental Insurance Red Hill 02022/05	215,457	0	(F)	215,457
10,929	10,864	Restricted Investments - Risk Management 02022/06	11,673	0	(F)	11,673
225,485	224,143	Restricted Investments - Class IV Cells Red Hill 02022/07	287,660	5,785	(F)	293,445
294,281	292,530	Restricted Investments - Regional Development 02022/08	32,216	(22,994)	(U)	9,222
19,029,568	18,916,324	Restricted Investments - Secondary Waste Processing 02022/09	23,741,107	(306,690)	(U)	23,434,417
944,959	939,336	Restricted Investments - Class III Cells 02022/10	1,948,091	(32,194)	(U)	1,915,897
55,180	54,852	Restricted Investments - Building Refurbishment (Ascot Place) 02022/11	58,938	0	(F)	58,938
(6,809,218)	(4,240,192)	Restricted Investments - Unrealised Loss/Gain on Investments 02022/20	(6,809,218)	953,844	(F)	(5,855,374)
556,867	553,554	Restricted Investments - Long Service Leave 02022/90	620,344	(6,500)	(U)	613,844
18,382,432	20,801,544	Total Restricted Cash	24,907,048	494,412	(F)	25,401,460
28,444,642	33,851,172	TOTAL CASH AND INVESTMENTS	31,925,025	2,263,838	(F)	34,188,863

The Cash at Bank - Municipal Fund represents the balance on the last day of the relevant month. Any portion of the balance available for investment is transferred into the Investment - Municipal Fund account in the following period. Funds held in the Cash at Bank - Municipal Fund continue to accrue interest as per the Westpac commercial rates.

NB: This report is consistent with the reporting requirements of the Policy 3.5 - Management of Investments Policy which only became effective from September 2010



14.3 DISABILITY ACCESS & INCLUSION PLAN

REFERENCE: COMMITTEES-12412

PURPOSE OF REPORT

To report on the implementation of the Eastern Metropolitan Regional Council's Disability Access and Inclusion Plan 2010 – 2012.

KEY ISSUES AND RECOMMENDATION(S)

- A requirement of the *Disability Services Act 1993* (section 27) is that a public authority must develop and implement a Disability Access and Inclusion Plan (DAIP).
- Public authorities are required to provide a DAIP report to the Disability Services Commission by July each year that shows how identified strategies have been progressed to meet the desired outcomes.
- This report provides a summary of the strategies progressed during 2010/2011. Attachment 1 provides more details.

Recommendation(s)

That Council notes the progress achieved under the Eastern Metropolitan Regional Council's Disability Access and Inclusion Plan 2010-2012 to be lodged with the Disability Services Commission by 31 July 2011.

SOURCE OF REPORT

Manager Organisational Development

BACKGROUND

A requirement of the *Disability Services Act 1993* (section 27) is that a public authority must ensure that it develops and implements a Disability Access and Inclusion Plan (DAIP), and in doing so must consult with the community.

EMRC developed a draft Access and Inclusion Policy and a draft Disability Access and Inclusion Plan 2010-2012 (DAIP), which were presented to Council on 17 June 2010 for endorsement, with a recommendation to make these available to enable the community of Perth's Eastern Region to make submissions in relation to the documents. As no comments were received by the end of the 42 day public comment period (23 June to 4 August 2010) on 19 August 2010 Council resolved the following:

"THAT:

1. *COUNCIL ENDORSE THE DRAFT DISABILITY ACCESS AND INCLUSION POLICY FORMING ATTACHMENT 1 TO THIS REPORT.*
2. *COUNCIL ENDORSE THE DRAFT DISABILITY ACCESS AND INCLUSION PLAN 2010-2012 FORMING ATTACHMENT 2 TO THIS REPORT."*

REPORT

It is a requirement of the Disability Services Act 1993 that public authorities provide a DAIP report to the Disability Services Commission by 31 July each year that shows how identified strategies have been progressed to meet the desired outcomes. Attachment 1 to this report provides details of the actions progressed during 2010/11.



Item 14.3 continued

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

4.6 To provide responsible and accountable governance and management of the EMRC


FINANCIAL IMPLICATIONS

Nil

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)

[Disability Access and Inclusion Plan Progress Report \(Ref: Committees-12525\)](#)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council notes the progress achieved under the Eastern Metropolitan Regional Council's Disability Access and Inclusion Plan 2010-2012 to be lodged with the Disability Services Commission by 31 July 2011.

COUNCIL RESOLUTION(S)

MOVED CR CUCCARO

SECONDED CR LINDSEY

THAT COUNCIL NOTES THE PROGRESS ACHIEVED UNDER THE EASTERN METROPOLITAN REGIONAL COUNCIL'S DISABILITY ACCESS AND INCLUSION PLAN 2010-2012 TO BE LODGED WITH THE DISABILITY SERVICES COMMISSION BY 31 JULY 2011.

CARRIED UNANIMOUSLY



Disability Access & Inclusion Plan

2010-2012

PROGRESS REPORT

THIS REPORT IS AVAILABLE IN ALTERNATIVE FORMATS



Outcome One

EMRC Council ensures that a Disability Access & Inclusion Policy and Implementation Plan are developed, implemented and reviewed regularly.

NO	ACTION	TIMELINE	COMMENTS
1.	Establish a Disability Access staff group to guide implementation of the DAIP	By January 2010	Complete.
2.	Develop a Disability Access & Inclusion Policy and draft Disability Access and Inclusion Plan (DAIP)	By June 2010	Draft presented to Council on 17 June 2010.
3.	Consult with the Community on the DAIP Policy & Plan	By August 2010	Public submissions invited from 23 June to 4 August 2010.
4.	Provide information on EMRC's DAIP to the Community	Once adopted by Council	Information placed on EMRC's public website
5.	Lodge DAIP with the Disability Services Commission	Following adoption by Council	DAIP adopted by Council on 19 August 2010. Lodged with the Disability Services Commission on 23 August 2010
6.	Develop links between the DAIP and other EMRC plans and Strategies	By end 2010	DAIP incorporated into EMRC's Integrated Planning Framework.



Outcome Two

People with disabilities have the same opportunities as other people to access the services of, and any events organised by, the EMRC.

NO	ACTION	TIMELINE	COMMENTS
1.	Ensure that all events organised by the EMRC provide as a minimum: <ul style="list-style-type: none">- Accessible parking- Accessible toilets- Promotional material available in alternative formats	Ongoing	Included into events checklists
2.	Use a variety of media to publicise events	Ongoing	Events publicised through various media such as newsletters, website, newspapers (local & statewide)
3.	Ensure that people with disabilities are considered when developing communication strategies	Ongoing	Included into checklists



Outcome Three

People with disabilities have the same opportunities as other people to access the buildings and other facilities of the EMRC.

NO	ACTION	TIMELINE	RESPONSIBILITY	COMMENTS
1.	Audit buildings and facilities owned by the EMRC to establish priorities for improvement	By June 2011	Corporate Services Waste Services	Ascot Place building audited. Redhill Waste Management Facility to be audited in 2011/12
2.	Establish a programme and budget for access improvement	2011	Corporate Services	Budget established.



Outcome Four

People with disabilities receive information from the EMRC in a format that will enable them to readily access the information other people are able to access.

NO	ACTION	TIMELINE	RESPONSIBILITY	COMMENTS
1.	Audit how staff provide information to the community to establish priorities and develop an action plan	By December 2010	Manager Organisational Development	Complete. Checklist developed for events.
2.	Ensure that information on Council functions, facilities and services is available in alternative formats if required	Ongoing	Marketing	Ongoing
3.	Place an advertisement in the local newspaper advising that alternative formats of information are available	Bi-Annual	Marketing	Complete
4.	Make electronic or hard copies of documents available in large print	Ongoing	All	Ongoing
5.	Make information available in other formats on request	Ongoing	All	Ongoing
6.	Enable website users to view a large print version of information	by 2012	Marketing	Complete. Text increase/ decrease functionality is available on content pages within EMRC websites.
7.	Employment advertisements are available in alternative formats on request	Ongoing	Human Resources	Ongoing



NO	ACTION	TIMELINE	RESPONSIBILITY	COMMENTS
8.	Review Position Description templates to ensure that they are non-discriminatory and do not exclude people with disabilities	Ongoing	Human Resources	Ongoing
9.	Employment Policy is reviewed to ensure it is non-discriminatory and does not exclude people with disabilities	By 2011	Human Resources	Complete
10.	Equal opportunity ethos is fostered among staff	Ongoing	Human Resources	Ongoing
11.	Identify and remove any barriers to employment	Ongoing	Human Resources	Ongoing



Outcome Five

People with disabilities receive the same level and quality of service from the staff and contractors of the EMRC.

NO	ACTION	TIMELINE	RESPONSIBILITY	COMMENTS
1.	Disability Awareness Training is provided by Disability Services Commission (or another accredited trainer) to all staff and Councillors	By December 2010	Organisational Development	Kerry Allan-Zinner former Chair of the Centre of Cerebral Palsy provided training on 4 February 2011.
2.	EMRC's DAIP is distributed to Staff and Councillors	By December 2010	Organisational Development / CEO	Complete
3.	New Staff are provided EMRC's DAIP and relevant information	Ongoing	Human Resources	Ongoing
4.	Contractors are aware of the relevant requirements of the Disability Services Act and EMRC's DAIP.	By December 2010	Manager Administration & Compliance	To be completed during 2011/2012



Outcome Six

People with disabilities have the same opportunities as other people to make complaints to the EMRC.

NO	ACTION	TIMELINE	RESPONSIBILITY	COMMENTS
1.	Ensure that complaints can be lodged via a number of means including fax, email, mail, verbal	Ongoing	CEO	Ongoing.



Outcome Seven

People with disabilities have the same opportunities as other people to participate in any public consultation by the EMRC

NO	ACTION	TIMELINE	RESPONSIBILITY	COMMENTS
1.	Ensure that public consultation venues organised by the EMRC provide as a minimum: <ul style="list-style-type: none">- Accessible parking- Accessible toilets- Promotional material available in alternative formats	Ongoing	All	Ongoing
2.	Ensure that any feedback or comments can be lodged via alternative formats including fax, mail or email	Ongoing	All	Ongoing



14.4 RED HILL WASTE MANAGEMENT FACILITY – REVIEW OF ALLOCATIONS TO POST CLOSURE RESERVES TO FUND ENVIRONMENTAL MONITORING AND SITE REHABILITATION

REFERENCE: COMMITTEES-12371

PURPOSE OF REPORT

The purpose of the report is to advise Council of the results of the review into the post closure provisions for environmental monitoring and the rehabilitation of the Red Hill Site that has been undertaken.

KEY ISSUES AND RECOMMENDATION(S)

- There have been reserves to ensure funds are available to undertake the required environmental monitoring and the site rehabilitation following the closure of the site in existence since the early 1990's.
- When the initial calculation was undertaken to determine the amount per tonne to be allocated to the reserves to fund the environmental management and site rehabilitation post closure was undertaken the anticipated remaining airspace was thought to be 4,850,000m³.
- Since the initial remaining airspace calculation was made Lots 12 (Red Hill Farm) and Lot 801 have been purchased so that the remaining airspace is now in the order of 25,000,000m³.
- The introduction of commercial and industrial (C&I) recycling at the planned Hazelmere Resource Recovery Park (RRP), the planned Resource Recovery Facility (RRF) to process organic waste and progressing a trial to re-mine closed cells would extend the life of the landfill considerably and also minimise the environmental monitoring costs and site rehabilitation costs required post closure.
- It is estimated that in the order of \$1.5 million needs to be available for site rehabilitation when no more waste is being received. Currently there is a charge of \$0.3093/tonne set aside for site rehabilitation and this is sufficient.
- It is estimated that \$0.5 million needs to be set aside for post closure environmental monitoring. There is currently \$222,245.00 in the Post Closure Environmental Monitoring Reserve.

Recommendation(s)

That:

1. Council confirms the present value amounts of \$1.5 million for the rehabilitation of the site and \$0.5 million to fund the environmental monitoring of the Red Hill Waste Management Facility as sufficient for post closure management purposes.
2. An amount of \$0.3093 per tonne be set aside in a reserve to fund ongoing site rehabilitation.

SOURCE OF REPORT

Director Waste Services.

BACKGROUND

In the early 1990's it was recognised that, once the available airspace at Red Hill had been utilised, there would be ongoing environmental monitoring costs and site rehabilitation expenditures that needed to be allowed for and brought to account during the operating life of the landfill.



Item 14.4 continued

It was estimated at the time that an amount, in the order of \$1.5 million, would be required for site rehabilitation and that an amount in the order of \$150,000 would be required to undertake the environmental monitoring. Since it was estimated there was, at that time, 4,850,000m³ of airspace remaining within Lots 1 and 2, the charge per tonne for each tonne of waste to be landfilled was established for each of the reserves.

In April 2007 Council considered the issue of post closure provisions (Committees-5859) and noted:

1. That it is proposed to allocate an amount of \$100,000 per annum for the next four years to the Site Rehabilitation Reserve.
2. That research into bio-reacting landfills is being supported with a view to reducing the period, post closure, for which financial provisions are required to be made.
3. That the waste disposal fees and charges are being set at levels so that funds will be available to fund the cost of constructing future cells.

REPORT

Since the initial calculations were undertaken in the early 1990's Lot 82, Lot 12 (Red Hill Farm) and Lot 801 were purchased. Much of Lot 12 has been re-zoned and licensed for landfill such that, as at May 2010, there was over 25,000,000 cubic metres of airspace remaining.

Whilst it is difficult to envisage what will be the post closure requirements 50 years from now, it is reasonable to assume some post closure environmental management will be required and that there will be costs incurred in rehabilitating the site as a passive recreation area. Whilst the end use of the site has not been finalised, passive recreation was the end use envisaged when the Consultative Environmental Review was prepared in 1991.

Current practice at Red Hill is for cells to be capped progressively using mulch and growing media to protect the clay capping and act as a phytocap to reduce water ingress and leachate creation so as to reduce the extent of the post closure environmental monitoring. In respect to the environmental monitoring of the site, to ensure no ground water contamination is occurring, only 15 of the current 45 bores will need to be monitored. The cost of that ongoing monitoring, in today's dollars, is anticipated to be \$50,000 per year and as the monitoring will be required to be undertaken for 10 years post closure i.e. \$500,000 needs to be set aside.

In regards to post closure site rehabilitation and the use of the site as passive recreation once landfilling has been completed there will be a requirement to remove the infrastructure that is in place at the time, revegetate the remaining cells and to undertake monitoring of the revegetation for a period of years. It is suggested that the amount of \$1.5 million in today's dollars is more than sufficient to cover those future costs. For the Environmental Monitoring Reserve an additional \$277,834 is required for it to be fully funded. There is currently \$2.6 million in the Site Rehabilitation Reserve and thus it is proposed that some of the 'surplus' \$1.1 million be transferred to cover the shortfall in the Environmental Monitoring Reserve and the balance transferred to an appropriate reserve as part of the budget process. The interest from the \$2.0 million reserves will be accumulated in the Site Rehabilitation Reserve and Environmental Monitoring Reserve to compensate for any inflation.

It is anticipated that within the next 5-10 years, the Resource Recovery Park (RRP) at Hazelmere will be fully operational and diverting at least 50% of the commercial waste stream from landfill and the RRF will be diverting most of the organic waste stream. Given that, the estimated post closure expenditures could be considered to be conservative but, until those initiatives are implemented, it is appropriate that the existing arrangements are maintained.



Item 14.4 continued

If landfilling organic waste was ever to be banned then the risk that leachate could contaminate groundwater, in the event of a lining failure, would be substantially lessened and therefore the on-going groundwater monitoring requirements would be substantially reduced.

Regular review on the sufficiency of these reserves will take place on a periodic basis of approximately every five (5) years or sooner subject to material changes in operational circumstances.

It is proposed that the existing rate/tonne of \$0.3093 being allocated for the Site Rehabilitation Reserve be maintained so that the costs of the progressive rehabilitation being undertaken are funded from operations.

STRATEGIC/POLICY IMPLICATIONS

The funding of post closure costs during the operating life of the landfill is an appropriate financial practice for a responsible organisation such as the EMRC that ensures waste disposal operations are sustainable.

- 1.1 To provide sustainable waste disposal operations
- 1.2 To improve regional waste management
- 1.3 To provide resource recovery and recycling solutions in partnership with member Councils
- 1.4 To investigate leading edge waste management practices

FINANCIAL IMPLICATIONS

The provision for future liabilities will not significantly impact on the cost of operations as the funds will be collected over a number of years.

SUSTAINABILITY IMPLICATIONS

The provisions of funds, to cover costs incurred once landfilling has been completed, is required so that future generations are not impacted by landfilling undertaken today.

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)

Nil

VOTING REQUIREMENT

Simple Majority



Item 14.4 continued

RECOMMENDATION(S)

That:

1. Council confirms the present value amounts of \$1.5 million for the rehabilitation of the site and \$0.5 million to fund the environmental monitoring of the Red Hill Waste Management Facility as sufficient for post closure management purposes.
2. An amount of \$0.3093 per tonne be set aside in a reserve to fund ongoing site rehabilitation.

COUNCIL RESOLUTION(S)

MOVED CR CUCCARO

SECONDED CR LINDSEY

THAT:

1. COUNCIL CONFIRMS THE PRESENT VALUE AMOUNTS OF \$1.5 MILLION FOR THE REHABILITATION OF THE SITE AND \$0.5 MILLION TO FUND THE ENVIRONMENTAL MONITORING OF THE RED HILL WASTE MANAGEMENT FACILITY AS SUFFICIENT FOR POST CLOSURE MANAGEMENT PURPOSES.
2. AN AMOUNT OF \$0.3093 PER TONNE BE SET ASIDE IN A RESERVE TO FUND ONGOING SITE REHABILITATION.

CARRIED UNANIMOUSLY



14.5 DISPOSAL OF PLANT – CATERPILLAR 836H

REFERENCE: COMMITTEES-12369

PURPOSE OF REPORT

The purpose of the report is to seek Council's acceptance of the tender offer for the purchase of the 2005 Cat 836H waste compactor by WesTrac.

KEY ISSUES AND RECOMMENDATION(S)

- WesTrac, the Caterpillar distributor in WA, submitted an offer to purchase the 2005 Cat 836H waste compactor that exceeded what could be received if the machine was traded in on a new machine.
- In accordance with the requirements of Section 3.58(2b) of the Local Government Act 1995 the machine was offered for sale by tender using the WALGA tender service.
- Only one offer was received.

Recommendation(s)

That the offer of \$540,000 (ex GST) for the purchase of the 2005 Cat 836H waste compactor, serial number BXD 00284, submitted by WesTrac be accepted.

SOURCE OF REPORT

Director Waste Services

BACKGROUND

The Cat 836H waste compactor, purchased in 2005, is due for replacement in 2011/2012 and, following discussions with WesTrac, an offer was received from them to purchase the machine on an "as is where is basis" for \$540,000 (ex GST).

BT Equipment, the supplier of the Bomag waste compactor currently in use as the primary waste compactor, had indicated they would offer \$300,000 for the machine if it was to be traded in on a new machine.

The disposal of local government property is regulated by Section 3.58 of the Local Government Act 1995 and requires either a public auction, a public tender or public advertising to be undertaken.

REPORT

The machine was advertised for disposal and only one offer to purchase from WesTrac, who have offered the amount of \$540,000 (ex GST), was received.

The WesTrac offer, if accepted, will provide additional income over and above that which would be received had the machine been traded in. Further the absence of a trade-in machine will result in the EMRC being able to purchase a new machine at a lower price.

The disposal of this item of plant will require the purchase of a new waste compactor, which is the subject of a separate report within the minutes of the 9 June 2011 TAC meeting and should therefore be considered in conjunction with the details provided in that report.



Item 14.5 continued

STRATEGIC/POLICY IMPLICATIONS

In order to provide sustainable waste disposal operations the most efficient plant should be procured at the lowest cost.

Key Result Area 4 – Good Governance

4.7 To continue to improve financial and asset management practices

FINANCIAL IMPLICATIONS

The sale to WestTrac improves EMRC's financial viability.

SUSTAINABILITY IMPLICATIONS

The proposed arrangement will reduce the cost of operations and improve the sustainability of the landfill operations.

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)

Nil

VOTING REQUIREMENT

Absolute Majority

RECOMMENDATION(S)

That the offer of \$540,000 (ex GST) for the purchase of the 2005 Cat 836H waste compactor, serial number BXD 00284, submitted by WesTrac be accepted.

COUNCIL RESOLUTION(S)

MOVED CR CUCCARO

SECONDED CR LINDSEY

THAT THE OFFER OF \$540,000 (EX GST) FOR THE PURCHASE OF THE 2005 CAT 836H WASTE COMPACTOR, SERIAL NUMBER BXD 00284, SUBMITTED BY WESTRAC BE ACCEPTED.

CARRIED UNANIMOUSLY



14.6 LAWNBROOK ROAD TRANSFER STATION SHIRE OF KALAMUNDA

REFERENCE: COMMITTEES-12416

PURPOSE OF REPORT

The purpose of the report is to notify Council that the Shire of Kalamunda have advised that, effective from 1 October 2011, Lawnbrook Road (Walliston) Transfer Station operations will be undertaken by the Shire.

KEY ISSUES AND RECOMMENDATION(S)

- In late 2006 the EMRC was requested by the Shire of Kalamunda to operate the Lawnbrook Road (Walliston) Transfer Station from 1 January 2007 for a period of three (3) years with an option for two (2) twelve (12) month extensions.
- A letter dated 30 May 2011 has been received advising the Shire of Kalamunda Council has resolved to take over the management of the Lawnbrook Road (Walliston) Transfer Station from 1 July 2011 subject to a handover period.
- Following receipt of the letter officer discussions have taken place and the EMRC has been requested to continue to manage the transfer station until 30 September 2011 to allow the Shire to make the necessary arrangements with respect to engaging attendants and the necessary plant and equipment.

Recommendation(s)

That Council delegates authority to the CEO to negotiate, with the Shire of Kalamunda, the handover details for the Lawnbrook Road (Walliston) Transfer Station.

SOURCE OF REPORT

Director Waste Services

BACKGROUND

During 2006 the Shire of Kalamunda requested a proposal from the EMRC to operate its transfer station at Lawnbrook Road, Walliston being operated at the time by Cleanaway Pty Ltd its waste collection contractor.

The EMRC was formally requested to operate the Lawnbrook Road (Walliston) Transfer Station from 1 January 2007 for a period of three (3) years with an option for an additional two (2) twelve (12) month terms (attachment 1).

The EMRC has operated the transfer station since January 2007 on a cost plus basis supplying labour, equipment and supervision.

The Shire of Kalamunda did not take up the option to extend the contract and since January 2010 the EMRC has been managing operations on a month by month basis.

REPORT

A letter from the Shire of Kalamunda dated 30 May 2011 was received advising that, at its meeting held on 16 May 2011, the Shire of Kalamunda Council resolved to take over the management of the Lawnbrook Road (Walliston) Transfer Station (attachment 2).

The letter proposed the effective handover date be from 1 July 2011 and that a handover period was still to be arranged.



Item 14.6 continued

Following receipt of the letter, discussions have taken place and the EMRC has been requested to manage the transfer station until 30 September 2011 to allow the Shire to make the necessary arrangements with respect to engaging attendants and plant and equipment.

The EMRC has one employee working at the weekends and on public holidays and has also engaged a transfer station attendant, from a labour hire company, to assist.

Other than a number of hooklift bins there are no other items of EMRC plant on site. It is envisaged that, should the Shire of Kalamunda wish to continue using the hooklift bins, these can be provided as can the provision of a hooklift truck to undertake the emptying of full bins and returning the empty bins on a fee for service basis provided this work is scheduled during 'normal' hours Monday – Friday.

If the Shire of Kalamunda does not want the hooklift bins nor utilise the hooklift truck to empty the bins they can be re-utilised elsewhere either at Red Hill, at Hazelmere or at the Shire of Mundaring's transfer stations.

Given the increasing activity at the Hazelmere Recycling Centre the proposed handover of the Lawnbrook Road (Walliston) Transfer Station operation will not impact unduly on the EMRC.

As the terms and conditions of the month by month arrangement are no longer appropriate, the EMRC is supportive of the handover of the management of Lawnbrook Road (Walliston) Transfer Station back to the Shire of Kalamunda.

STRATEGIC/POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The 2011/2012 Draft Budget will be adjusted to reflect the charge.

SUSTAINABILITY IMPLICATIONS

Nil

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	} Nil
City of Bayswater	
City of Belmont	
Shire of Kalamunda	Kalamunda will be responsible for the management, staffing and costs of operating the Walliston Transfer Station, and the cost of the handover.
Shire of Mundaring	} Nil
City of Swan	



Item 14.6 continued

ATTACHMENT(S)

1. [Letter of Appointment \(Ref: Committees-12448\)](#)
2. Letter of Termination (Ref: Committees-12449)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council delegates authority to the CEO to negotiate, with the Shire of Kalamunda, the handover details for the Lawnbrook Road (Walliston) Transfer Station.

Cr Godfrey referred to the fact that the Shire of Kalamunda had not taken up the option to extend the contract for operating the Lawnbrook Road (Walliston) Transfer Station and queried whether a private company would have continued operating the facility on a month by month basis. Cr Godfrey advised that she had moved the recommendation for the CEO to negotiate the handover details but felt that the operating conditions, terms, incomes and expenditures needed to be more defined and this should apply to other EMRC programmes such as the Regional Tourism Programme.

COUNCIL RESOLUTION(S)

MOVED CR GODFREY

SECONDED CR POWELL

THAT COUNCIL DELEGATES AUTHORITY TO THE CEO TO NEGOTIATE, WITH THE SHIRE OF KALAMUNDA, THE HANDOVER DETAILS FOR THE LAWNBROOK ROAD (WALLISTON) TRANSFER STATION.

CARRIED UNANIMOUSLY



Enquiries: Jonathan Smith - 9257 9961

Our Ref:

Your Ref:

Date: 19 September 2006

**Shire of
Kalamunda**

2 Railway Road, Kalamunda
Western Australia 6076
PO Box 42, Kalamunda 6926

Tel: (08) 9257 9999
Fax: (08) 9293 2715

email: kala.shire@kalamunda.wa.gov.au

Mr Gavin Watters
Chief Executive Officer
EMRC
1st Floor, Ascot Place
226 Great Eastern Highway
Belmont WA 6104

Dear Gavin

Operation of Lawnbrook Road Transfer Station

I write to advise that Council at the meeting of 18 September 2006 resolved "that the EMRC be requested to operate the Lawnbrook Road transfer Station on a cost plus 10% basis for a period of three years with an option for an additional two, twelve (12) month terms."

Accordingly I now formally request that the EMRC operate the Transfer Station on behalf of Council in accordance with the attached documents titled;

- Specification for Management and Operation of Lawnbrook Road Transfer Station. Walliston;
- General Conditions of Contract for management and Operation of Lawnbrook Road transfer Station. Walliston; and
- Schedules Relating to Management and Operation of Lawnbrook Road Transfer Station. Walliston.

On the basis that EMRC will agree to this proposal please complete the third attachment, relating to the above Schedules and return to the undersigned.

The current contract with Cleanaway expires on 31 December 2006. If Council's proposal is accepted the EMRC would need to be in a position to operate this facility from 1 January 2007.

I look forward to your favourable consideration of this proposal, and of EMRC and the Shire working together in this new venture.

Please direct any inquiries to Jonathan Smith Manager Health Service on the above number.

Yours faithfully

Kevin O'Connor
Executive Manager Community Service

RECEIVED

2 JUN 2011



**shire of
kalamunda**

2 Railway Road, Kalamunda
Western Australia 6076
PO Box 42, Kalamunda 6926

Tel: (08) 9257 9999
Fax: (08) 9293 2715

email: kala.shire@kalamunda.wa.gov.au

Enquiries:

Our Ref:

Your Ref:

Date: 30 May 2011

Eastern Metropolitan Regional Council
Brian Jones
PO Box 234
BELMONT WA 6984

Dear Brian

Re: Management of Walliston Transfer Station

Following the Ordinary Council Meeting held on the 16 May 2011, Council resolved to take over the Management of the Walliston Transfer Station.

It is proposed that the Shire of Kalamunda take over Management of the facility from the 1 July 2011, however, this is subject to a handover period, which is currently being arranged.

We would like to take this opportunity to thank you for your service over the last 4 1/2 years and look forward to continuing to work with you in the future.

Yours faithfully

Murry Miskelly
Coordinator Waste and Graffiti



14.7 ALTERNATIVE “PROPOSED” MOTIONS

REFERENCE: COMMITTEES-12441

PURPOSE OF REPORT

The purpose of this report is to determine Council’s preferred methodology for dealing with alternative motions.

KEY ISSUES AND RECOMMENDATION(S)

- At the October 2010 and May 2011 Council meetings the procedure for dealing with alternative “proposed” motions came into question.
- Guidance has been sought from the Department of Local Government who have stated that there is no reason that an alternative “proposed” motion cannot be moved instead of the officer recommendation, unless required under Standing Orders.
- Some member Councils have indicated that they require officer recommendations to be dealt with before alternative “proposed” motions are considered, whilst others allow alternative “proposed” motions to be moved without dealing with the officer recommendations.
- These two options are referred to Council, at the Chairman’s request, to determine how Council would prefer to deal with alternative “proposed” motions at future meetings.

Recommendation(s)

That Council deals with alternative “proposed” motions in accordance with option as detailed within the report.

SOURCE OF REPORT

Chief Executive Officer

BACKGROUND

At the 21 October 2010 Council meeting when dealing with Confidential Report Item 19.1 Disposal Fees for Local Government Entities, a query was raised in relation to the moving of an alternative motion.

The query was whether the officer recommendation should be voted on before the alternative motion was considered or whether the alternative motion could be dealt with ahead of the officer recommendation.

As EMRC Standing Orders were silent on the matter the Chairman ruled that the alternative motion could be dealt with without first dealing with the officer recommendation.

Some Councillors indicated that at their Councils the practice was to deal with the officer recommendations first and the Chairman advised that clarification would be sought for the next meeting.

REPORT

Following the 21 October 2010 Council meeting guidance was sought from the Department of Local Government (DLG) in relation to the correct procedure for dealing with alternative motions.

The advice received was as follows:

“Whilst the officer’s recommendation at the bottom of a report is technically not a substantive motion as it has not been seconded, it is suggested it is better to vote on that first and then if a Councillor wishes to put forth a new recommendation, then a report be prepared on justifying a new recommendation to go before Council”.



Item 14.7 continued

Subsequently, at the 2 December 2010 Council meeting, this information was conveyed to the Council and the Chairman stated that based on this advice, future alternative motions would be dealt with per the DLG suggestion.

At the 19 May 2011 meeting when dealing with report Item 14.3 2011-2012 Schedule of Fees and Charges For Waste Management, an alternative motion was put forward by a Councillor and the Chairman reiterated the previous DLG advice and consequently the officer recommendation was dealt with first.

Some Councillors again stated that they dealt with alternative motions differently at their Councils.

Further clarification was sought from the DLG who again restated their previous advice with an expanded explanation as follows:

“Unless your Standing Orders require the officer recommendation to be dealt with prior to considering an alternative “proposed” motion from an elected member – there is no requirement that an alternative “proposed” motion cannot be moved instead of the officer recommendation. That said, the DLG is of the view that an alternative “proposed” motion should be provided in writing in advance of the meeting, preferably with officer input into the motion.

From a better practice point of view it is often better (if the time permits) for the matter to be deferred so the alternative position can be subject of a further officer report.

The DLG does not condone motions being framed at the meeting, unless there is adequate officer advice available, to ensure the validity of the proposed discussion.

Where Standing Orders do not address this issue and there is an overarching clause allowing the presiding member to determine on matters not provided for in Standing Orders, this clause could be used to determine the process to be adopted by the Council”.

Clause 18.2 of EMRC Standing Orders Local Law states that the person presiding is to decide questions of order, procedure, debate or otherwise where Standing Orders are silent.

The Chairman in this instance has requested that the options be referred to Council to determine how they would like to deal with alternative motions i.e.:

Option 1 Officer recommendation to be dealt with prior to considering alternative “proposed” motions.

Option 2 Alternative “proposed” motions be dealt with without first dealing with officer recommendations. Alternative “proposed” motions to be provided in writing in advance of the meeting, preferably with officer input into the motion.

It is anticipated that EMRC Standing Orders Local Law will be reviewed for referral to Council prior to the end of the 2011 calendar year and whichever of the above options is ultimately supported by Council will be incorporated into the revised document.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

4.6 To provide responsible and accountable governance and management of the EMRC

FINANCIAL IMPLICATIONS

Nil




Item 14.7 continued

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)

Nil

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council deals with alternative “proposed” motions in accordance with option as detailed within the report.

Cr Färdig moved the recommendation with Option 2 as the preferred option.

Cr Lindsey moved an amendment to the motion that “alternate motions be forwarded to the CEO at least 4 hours prior to the meeting”.

Cr Färdig stated that he was against the proposed amendment.

There was no seconder to the amendment and the motion lapsed.

Cr Cuccaro seconded the motion moved by Cr Färdig with Option 2 as the preferred option.

COUNCIL RESOLUTION(S)

MOVED CR FÄRDIG

SECONDED CR CUCCARO

THAT COUNCIL DEALS WITH ALTERNATIVE “PROPOSED” MOTIONS IN ACCORDANCE WITH OPTION 2 AS DETAILED WITHIN THE REPORT.

CARRIED UNANIMOUSLY



14.8 SUNDRY DEBTOR WRITE-OFF

REFERENCE: COMMITTEES-12479

PURPOSE OF REPORT

The purpose of this report is to seek Council approval to write off one (1) outstanding sundry debtor.

KEY ISSUES AND RECOMMENDATION(S)

- Approval is sought from Council for the write off of the amount of \$165.00 outstanding from one sundry debtor as numerous attempts at recovering the outstanding debt by the EMRC have been unsuccessful.

Recommendation(s)

That Council, by an absolute majority in accordance with section 6.12(1)(c) of the *Local Government Act 1995*, authorises the write off of the amount of \$165.00 from Mr Robert Kelly.

SOURCE OF REPORT

Director Corporate Services
Manager Financial Services

BACKGROUND

Section 6.12(1)(c) of the *Local Government Act 1995* states that subject to subsection (2) and any other written law, a local government may write off any amount of money which is owed to the local government.

An absolute majority of Council is required for the write off of any outstanding sundry debtor.

Prior to the setting up of an account for credit for potential clients, reference checks are undertaken together with online checks via the Dunn & Bradstreet website in order to ensure the credit worthiness of the client.

For cash customers who wish to pay by credit card, a credit card authorisation form is completed and duly signed before the charge is processed. Once the payment has been transacted, the form is destroyed for security purposes.

Efforts are constantly being undertaken to reduce the amount of outstanding sundry debtors. This includes mailing of a monthly statement, weekly reminder calls, ongoing correspondence by mail and e-mail, and, as a last resort, the threat of legal action.

REPORT

The amount in question of \$165.00 relates to the disposal of mattresses at the EMRC's Hazelmere Site on 13 November 2009 by customer, Mr Robert Kelly. The total value was paid on credit card. Mr Kelly later contacted his bank questioning the validity of the charge he did not recognise on his credit card statement. As a result, the charge was reversed on 29 December 2009.



Item 14.8 continued

Upon contacting Mr Kelly and clarifying the matter with him, he forwarded an email acknowledging and confirming the validity of the charge which was then forwarded to the EMRC's bank as proof of a legitimate transaction. On that basis, the charge was credited back to the EMRC temporarily on 16 February 2010 by the EMRC's bank pending discussion and payment confirmation by the customer and his bank. Unfortunately, this did not occur despite verbal assurance from Mr Kelly. Consequently, the charge was reversed for a second time on 28 April 2010. Subsequent attempts to contact Mr Kelly have been unsuccessful.

As it is not economically viable to pursue this matter further, approval is sought from Council for the write off of the aforementioned outstanding amount.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

- 4.6 To provide responsible and accountable governance and management of the EMRC
- 4.7 To continue to improve financial and asset management practices

FINANCIAL IMPLICATIONS


The write off of one (1) outstanding sundry debtor to the value of \$165.00.

It should also be noted that a Provision for Impairment was made for this outstanding amount as at 30 June 2010. As such, the write-off of this amount will not impact on the current financial year.

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)

Nil

VOTING REQUIREMENT

Absolute Majority



Item 14.8 continued

RECOMMENDATION(S)

That Council, by an absolute majority in accordance with section 6.12(1)(c) of the *Local Government Act 1995*, authorises the write off of the amount of \$165.00 from Mr Robert Kelly.

COUNCIL RESOLUTION(S)

MOVED CR CUCCARO

SECONDED CR LINDSEY

THAT COUNCIL, BY AN ABSOLUTE MAJORITY IN ACCORDANCE WITH SECTION 6.12(1)(C) OF THE *LOCAL GOVERNMENT ACT 1995*, AUTHORISES THE WRITE OFF OF THE AMOUNT OF \$165.00 FROM MR ROBERT KELLY.

CARRIED UNANIMOUSLY



15 REPORTS OF COMMITTEES

15.1 CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW COMMITTEE MEETING HELD 26 MAY 2011

(REFER TO MINUTES OF COMMITTEE - MAUVE PAGES)

REFERENCE: COMMITTEES-12042

The minutes of the Chief Executive Officer Performance Review Committee meeting held on **26 May 2011** accompany and form part of this agenda – (refer to mauve section of 'Minutes of Committees' for Council accompanying this Agenda).

QUESTIONS

The Chairman invited general questions from members on the report of the Chief Executive Officer Performance Review Committee. Any questions relating to the confidential report will be dealt with under section 19.1 of the agenda "Confidential Items."

RECOMMENDATION(S)

That the minutes of the Chief Executive Officer Performance Review Committee meeting held 26 May 2011 be noted.

COUNCIL RESOLUTION(S)

MOVED CR POWELL

SECONDED CR PULE

THAT THE MINUTES OF THE CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW COMMITTEE MEETING HELD 26 MAY 2011 BE NOTED.

CARRIED UNANIMOUSLY

CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW COMMITTEE (CEOPRC)**MINUTES****26 May 2011****(Ref: COMMITTEES-12042)**

A meeting of the Chief Executive Officer Performance Review Committee was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **26 May 2011**. The meeting commenced at **5:00pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 5:00pm.

2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

Committee Members

Cr Gerry Pule (Chairman)	EMRC Member	Town of Bassendean
Cr Graham Pittaway	EMRC Member	City of Bayswater
Cr Janet Powell (Deputy Chairman)	EMRC Member	City of Belmont
Cr Tony Cuccaro	EMRC Member	Shire of Mundaring
Cr David Färdig	EMRC Member	City of Swan

Apologies

Cr Frank Lindsey	EMRC Member	Shire of Kalamunda
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Visitor

Nil

EMRC Officers

Mr Peter Schneider	Chief Executive Officer
Ms Prapti Mehta	Manager Organisational Development
Ms Theresa Eckstein	Executive Assistant to CEO (Minutes)

3 DISCLOSURE OF INTERESTS

At the invitation of the Chairman, the Chief Executive Officer advised the following disclosures of interest.

3.1 PETER B. SCHNEIDER – CHIEF EXECUTIVE OFFICER – INTERESTS AFFECTING IMPARTIALITY:

Item:	13.1
Subject:	Confidential Item 13.1 - Chief Executive Officer's Annual Review, Contract Review and Remuneration Review Process
Nature of Interest:	Disclosure of Interests Affecting Impartiality, EMRC Code of Conduct 1.3(a). Subject matter of the Report directly relates to the Chief Executive Officer.

3.2 PRAPTI MEHTA – MANAGER ORGANISATIONAL DEVELOPMENT – INTERESTS AFFECTING IMPARTIALITY:

Item:	13.1
Subject:	Confidential Item 13.1 - Chief Executive Officer's Annual Review, Contract Review and Remuneration Review Process
Nature of Interest:	Disclosure of Interests Affecting Impartiality, EMRC Code of Conduct 1.3(a). Reporting relationship to the Chief Executive Officer

4 ANNOUNCEMENT BY THE CHAIRMAN OR PERSON PRESIDING WITHOUT DISCUSSION

Nil



5 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

5.1 MINUTES OF THE CEOPRC MEETING HELD 15 JULY 2010

That the minutes of the Chief Executive Officer Performance Review Committee meeting held on 15 July 2010 which have been distributed, be confirmed.

CEOPRC RESOLUTION(S)

MOVED CR POWELL

SECONDED CR CUCCARO

THAT THE MINUTES OF THE CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW COMMITTEE MEETING HELD ON 15 JULY 2010 WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY

6 PRESENTATIONS

Nil

7 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

8 QUESTIONS WITHOUT NOTICE

Nil

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

NOTE: Section 5.23(2) of the Local Government Act 1995, details a number of matters upon which Council may discuss and make decisions without members of the public being present. These matters include: matters affecting employees; personal affairs of any person; contractual matters; legal advice; commercial-in-confidence matters; security matters; among others.

The following report item is covered in section 13 of this agenda.

- 9.1 CHIEF EXECUTIVE OFFICER'S ANNUAL PERFORMANCE REVIEW, CONTRACT REVIEW AND REMUNERATION REVIEW PROCESS (Ref: Committees-11940)

10 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil

11 REPORTS OF OFFICERS

Nil

12 REPORTS OF DELEGATES

Nil

**13 CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC****RECOMMENDATION (Closing meeting to the public)**

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

CEOPRC RESOLUTION(S)

MOVED CR POWELL

SECONDED CR CUCCARO

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

CARRIED UNANIMOUSLY

The meeting was closed to the public at 5:03pm.

13.1 CHIEF EXECUTIVE OFFICER'S ANNUAL PERFORMANCE REVIEW, CONTRACT REVIEW AND REMUNERATION REVIEW PROCESS**REFERENCE: COMMITTEES-11940**

Item 13.1 was discussed by the Committee.

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.

CEOPRC RESOLUTION(S)

MOVED CR PITTAWAY

SECONDED CR CUCCARO

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

The meeting was reopened to the public at 5:20pm.



Item 13 continued

Recording of the recommendations passed behind closed doors, namely:

13.1 CHIEF EXECUTIVE OFFICER'S ANNUAL PERFORMANCE REVIEW, CONTRACT REVIEW AND REMUNERATION REVIEW PROCESS

REFERENCE: COMMITTEES-11940

CEOPRC RECOMMENDATION(S)

That:

1. Council appoint Mr John Phillips from Workplace Solutions WALGA to facilitate the Chief Executive Officer's performance review process for a three year period being 2011, 2012 and 2013.
2. Council endorse the methodology undertaking the Chief Executive Officer's Performance review process for 2011 as outlined within this report.
3. Council select Option 1 as the timetable for the Chief Executive Officer's Performance review process for 2011 as outlined within this report.
4. The report and attachments remain confidential and be certified by the Chairman and Chief Executive Officer.

CARRIED UNANIMOUSLY

14 GENERAL BUSINESS

Nil

15 FUTURE MEETINGS OF THE CEOPRC

The next meeting of the Chief Executive Officer Performance Review Committee will be held on **Thursday, 28 July 2011** at the EMRC Administration Office, 1st Floor, Ascot Place, 226 Great Eastern Highway, Belmont WA 6104 commencing at 5:00pm.

16 DECLARATION OF CLOSURE OF MEETING

There being no further business the meeting was closed at 5:25pm.



**15.2 TECHNICAL ADVISORY COMMITTEE MEETING HELD 9 JUNE 2011
(REFER TO MINUTES OF COMMITTEE - YELLOW PAGES)
REFERENCE: COMMITTEES-12360**

The minutes of the Technical Advisory Committee meeting held on **9 June 2011** accompany and form part of this agenda – (refer to yellow section of 'Minutes of Committees' for Council accompanying this Agenda).

QUESTIONS

The Chairman invited general questions from members on the report of the Technical Advisory Committee.

RECOMMENDATION

That with the exception of items, which are to be withdrawn and dealt with separately, the recommendations in the Technical Advisory Committee report (Section 15.2) be adopted.

COUNCIL RESOLUTION

MOVED CR POWELL

SECONDED CR GODFREY

THAT WITH THE EXCEPTION OF ITEM 9.1 WHICH IS TO BE WITHDRAWN AND DEALT WITH SEPARATELY, THE RECOMMENDATIONS IN THE TECHNICAL ADVISORY COMMITTEE REPORT (SECTION 15.2) BE ADOPTED.

CARRIED UNANIMOUSLY

TECHNICAL ADVISORY COMMITTEE

MINUTES

9 June 2011

(REF: COMMITTEES-12360)

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, 9 June 2011**. The meeting commenced at **4.03pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 4.03pm.

2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

Committee Members

Mr Shane Purdy (Chairman)	Director Infrastructure Services	Shire of Mundaring
Mr Simon Stewert-Dawkins (from 4.11pm)	Director Operational Services	Town of Bassendean
Mr Doug Pearson	Director Technical Services	City of Bayswater
Mr Ric Lutey	Director Technical Services	City of Belmont
Mr Jim Coten (Deputy Chairman)	Executive Manager Operations	City of Swan
Mr Peter Schneider	Chief Executive Officer	EMRC

Apologies

Mr Mahesh Singh	Director Engineering Services	Shire of Kalamunda
Mr Simon Miller	Manager Operations	Shire of Kalamunda

EMRC Officers

Mr Brian Jones	Director Waste Services
Mr Stephen Fitzpatrick	Manager Project Development
Mr Brian Bushby	Manager Operations
Ms Mary-Ann Winnett	Personal Assistant to the Director Corporate Services
Ms Giulia Bono	Administration Officer (Minutes)

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 3 FEBRUARY 2011

That the Minutes of the Technical Advisory Committee meeting held on 7 April 2011, which have been distributed, be confirmed.

TAC RESOLUTION(S)

MOVED MR LUTEY

SECONDED MR PEARSON

THAT THE MINUTES OF THE TECHNICAL ADVISORY COMMITTEE MEETING HELD ON 7 APRIL 2011 WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY



6 PRESENTATIONS

Nil

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 THE 4TH NATIONAL LANDFILL/TRANSFER STATION CONFERENCE – GLENELG, SOUTH AUSTRALIA – 31 AUGUST TO 2 SEPTEMBER 2011

REFERENCE: COMMITTEES-12363

PURPOSE OF REPORT

The report is to advise Council of the forthcoming National Landfill and Transfer Station Conference to be held in Glenelg, South Australia from 31 August to 2 September 2011 and seek Councillor nominations to attend the conference.

KEY ISSUES AND RECOMMENDATION(S)

- The 4th National Landfill and Transfer Station Conference is to be held in Glenelg, South Australia from 31 August to 2 September 2011.
- The theme of the Landfill Conference is “Landfill the Facts and the Future” and that of the concurrent Transfer Station conference is “Maximising Minimisation”.
- The proposed programme includes site visits to either landfills or transfer stations and resource recovery facilities in the Adelaide area.
- It is suggested that EMRC officers and Councillors would benefit from attending the conference.

Recommendation(s)

That Councillor(s) _____ be authorised to attend the 4th National Landfill/Transfer Conference to be held in Glenelg, South Australia from 31 August – 2 September 2011.

SOURCE OF REPORT

Director Waste Services

BACKGROUND

The inaugural National Landfill/Transfer Station Conference was held in Queensland in 2005 and was followed with National Conferences in Melbourne 2007 and Hobart in 2009.

REPORT

The national conferences bring together the major landfill operators, industry regulators, consultants, service providers and academics and is focussed on landfill and transfer station design and operating issues.

In that the EMRC operates one of the WA's major landfills, four transfer stations and is planning a Resource Recovery Park at Hazelmere, the EMRC anticipates sending two officers to the conference to update their knowledge on the most recent developments.

There would be merit in EMRC Councillor representatives also attending so that they are aware of the changes that are taking place with respect to landfills and transfer stations.

The cost per attendee is estimated at \$2500.00 inclusive of airfares, accommodation, conference attendance fees, incidental expenses and meals.



Item 9.1 continued

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 1 – Environmental Sustainability

- 1.3 To provide resource recovery and recycling solutions in partnership with member Councils
- 1.4 To investigate leading edge waste management practices

Key Result Area 4 – Good Governance

- 4.6 To provide responsible and accountable governance and management of the EMRC

EMRC Policy 6.1 provides guidelines for attendance by appointed members at intrastate, interstate and international conferences.

FINANCIAL IMPLICATIONS

The budget allocates funds for Conference attendance for both EMRC Councillors and EMRC officers.

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)

Call for papers and preliminary conference details (Ref: Committees-12381)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Councillor(s) _____ be authorised to attend the 4th National Landfill/Transfer Conference to be held in Glenelg, South Australia from 31 August – 2 September 2011.



Item 9.1 continued

TAC RECOMMENDATION(S)

MOVED MR COTEN

SECONDED MR LUTEY

That Councillor(s) _____ be authorised to attend the 4th National Landfill/Transfer Conference to be held in Glenelg, South Australia from 31 August – 2 September 2011.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR GODFREY

SECONDED CR PULE

THAT COUNCILLORS CUCCARO AND FÄRDIG BE AUTHORISED TO ATTEND THE 4TH NATIONAL LANDFILL/TRANSFER CONFERENCE TO BE HELD IN GLENELG, SOUTH AUSTRALIA FROM 31 AUGUST – 2 SEPTEMBER 2011.

CARRIED UNANIMOUSLY

Cr Butler left the meeting at 6.57pm.





PROGRAM

[Click here to read about the Keynote Speakers](#)

Considered the pre-eminent landfill conference for Australia, and following on from the very successful conferences in 2005, 2007 and 2009, the **4th National Landfill Conference and Expo** will focus on the presentation of fundamental and applied research conducted in the solid waste industry. This event will run in parallel with the 4th National Transfer Stations Conference and Expo – Maximising Minimisation, allowing attendees who register for either conference to attend sessions at both.

This year's conference theme "*Landfill the Facts and the Future*" has been adopted to focus on the practical operation and sustainability of landfill management. Challenges facing the industry are diverse, ranging from Government policy developments to general pre-conceptions on what landfills are to technical design requirements to appropriate plant and equipment selection. These will all be explored and delegates provided with opportunities to delve further into areas of interest.

Day 1 of the program will include site visits to landfills in the Adelaide metropolitan area as well as the opportunity for practical demonstration and inspection of various types of plant and equipment. Days 2 and 3 will consist of keynote, technical and case study presentations. The conference will also include a Trade Exhibition, Welcome Reception and the always popular Conference Dinner, providing opportunities for social interaction and networking with your industry colleagues.

This conference will be of particular interest to: industry managers; regulators; local government councilors and staff; state and federal government; consultants; service providers; planners; environment managers; academics and engineers.

I look forward to seeing you in Adelaide and encourage you to share your expertise, insights and ideas to make this a valuable event for our industry.

Marina Wagner
Conference Chair

CALL FOR ABSTRACTS

The Conference Program Committee invites the submission of abstracts for this popular biennial industry event in any of the topic areas listed below. Abstracts outside the listed topic areas may be considered at the discretion of the Program Committee.

- Planning and design
 - base and side lining systems
 - leachate collection systems
 - stormwater collection systems
 - capping systems
- Operation, management & controls
 - best practice operations
 - plant and equipment
 - cover systems
 - Landfill gas management
 - Leachate management
 - Stormwater management
 - Organics- in or out?
- Closure and after care
 - Capping systems
 - A-ACAP
 - Aftercare- how long is long enough
 - Potential impacts on groundwater
 - Landfill gas
- International trends in landfill design, operations, closure and after care
- AWT's and their potential impacts on landfill design, operation, closure and after care
- Disaster recovery
- Legislation and regulation
 - National and international trends
 - Climate change

PROCEDURE FOR ABSTRACT SUBMISSION

Please note the following submission guidelines:

- Abstract submissions must use the [Microsoft Word Template](#)
- Must be in English
- Must clearly state objectives and outcomes of proposed presentation

4th NATIONAL TRANSFER STATIONS CONFERENCE & EXPO

Sustainability in the 21st Century: Maximising Minimisation

31st August - 2nd September 2011

Stamford Grand Adelaide

Mosely Square, Glenelg

[REGISTRATION](#) | [PROGRAM](#) | [SPONSORS](#)

[EXHIBITION](#) | [VENUE](#) | [WMAA](#) | [CONTACT US](#)

PROGRAM

[Click here to read about the Keynote Speakers](#)

Considered the pre-eminent Transfer Stations conference for Australia, and following on from the very successful conferences in 2006, 2007 and 2009, the **4th National Transfer Stations Conference and Expo** will focus on the presentation of new research, technologies and case studies in both operations and resource recovery as it applies to transfer stations. This event will run in parallel with the **4th National Landfill Conference and Expo – Landfill: the Facts and the Future**, allowing attendees who register for either conference to attend sessions at both.

This year's conference theme "**Maximising Minimisation**" has been adopted to focus on the ever increasing need for the effective re-use of materials and diversion of waste from landfill. Whether it be the sorting of material from the residual waste and appropriate equipment to do the job, or the need to identify appropriate re-sale markets to effectively use the recovered product, the transfer station and resource recovery industry is a perpetual leader in innovation with this conference aiming to facilitate satisfying delegates informational and operational needs.

Day 1 of the program will include site visits to transfer stations and resource recovery facilities in the Adelaide metropolitan area including some of the winners of the 2009 Transfer Stations Excellence Awards as well as the opportunity for practical demonstration and inspection of various types of plant and equipment. Days 2 and 3 will consist of keynote, technical and case study presentations. The conference will also include a Trade Exhibition, Welcome Reception and the always popular Conference Dinner, providing opportunities for social interaction and networking with your industry colleagues.

This conference will be of particular interest to: transfer station and MRF managers; regulators; local government councilors and staff; state and federal government; consultants; service providers; planners; environment managers; academics and engineers.

I look forward to seeing you in Adelaide and encourage you to share your expertise, insights and ideas to make this a valuable event for our industry.

Marina Wagner
Conference Chair

CALL FOR ABSTRACTS

The Conference Program Committee invites the submission of abstracts for this popular biennial industry event in any of the topic areas listed below. Abstracts outside the listed topic areas may be considered at the discretion of the Program Committee.

- Planning and Design of Transfer Stations and MRFs
 - Large scale operations
 - Rural and remote facilities
 - Regionalisation- opportunities and limitations
 - Approval processes
 - Community engagement and consultation
 - Transport distances
- Operations, management and controls in Transfer Stations and MRFs
 - Best practice operations
 - Best practice performance
 - Plant and equipment
 - Optimising recovery and performance
 - Problematic wastes
 - Social enterprises
- Products and Markets
 - Recycled products - opportunities and limitation
 - Product quality
 - Dirty MRF vs. source separation and pre-sorting
- International trends in design, operation and management
- Disaster Recovery
- Legislation and regulation - national and international trends
 - Economic instruments
 - Extended Producer/ Product Responsibility
 - Product Stewardship
 - Climate Change

- Occupational Health Safety and Welfare

PROCEDURE FOR ABSTRACT SUBMISSION

Please note the following submission guidelines:

- Abstract submissions must use the [Microsoft Word Template](#)
- Must be in English
- Must clearly state objectives and outcomes of proposed presentation
- Maximum of 300 words
- Title is clear and concise and limited to 120 characters
- There are no sub headings
- It contains no Microsoft Equation Objects
- Do not include images, figures and graphs
- Do not include author affiliations in abstract (but required for final manuscript)
- It contains a brief introduction (the purpose of the presentation), the methodology (explanation on data collection and processing), results and conclusions (discussion and major findings)
- References kept to a minimal number (but required for final manuscript)
- Obtain consent from co-authors prior to submission
- You may submit more than one abstract
- Abstract submissions may be amended or withdrawn prior to the closing date

[Click here to start the abstract submission process](#)

CRITICAL DATES	
Submission of abstracts	16 March 2011
Notice of acceptance into the program	15 April 2011
Submission of final paper & presentation	12 August 2011

Selection of Submissions

The acceptance of submissions will be determined by reviewers appointed by the Program Committee and will be based on:

- relationship and significance to theme of the conference
- technical content
- program constraints
- originality
- topicality
- potential audience appeal

*Presenting authors **must** be registrants for the full conference or at least be registered for the day of presentation. Discounted registration rates are available for presenters and acceptance of papers is conditional on registration. Presenters are responsible for their own expenses.*

Authors must be prepared to confirm their copyright ownership of the paper, that it is their original work and that the Waste Management Association of Australia will be granted permission to publish the paper.

Non-conforming abstract submissions may not be considered. Papers of a commercial nature will not be accepted.



9.2 HAZELMERE RESOURCE RECOVERY PARK – PROJECT PLAN DEVELOPMENT

REFERENCE: COMMITTEES-12368

PURPOSE OF REPORT

The purpose of the report is to seek member Council input into the resource recovery activities to be incorporated into the Project Plan to be developed for the Hazelmere Resource Recovery Park (RRP).

KEY ISSUES AND RECOMMENDATION(S)

- The Hazelmere site was purchased in 1996 with the intention that a transfer station, for use by the member Councils, be developed at the site.
- The use of the site as a RRP was first mooted in 2004 and additional work on utilising the site as a RRP was undertaken in 2008.
- The 2004 and 2008 preliminary proposals identified the following activities as being appropriate:
 - A Materials Recovery Facility (MRF) for member Council domestic recyclables;
 - A MRF for commercial and industrial (C&I) waste;
 - An industrial woodwaste recycling facility;
 - A construction and demolition (C&D) waste facility;
 - A transfer station for residents of the member Councils to drop off waste materials;
 - A greenwaste processing facility;
 - A bio-waste composting facility;
 - A glass fines processing facility;
 - A community education centre;
 - A re-use store; and
 - An area for commercial enterprises utilising waste streams generated within the Park.
- Other activities that may be considered as being appropriate for the RRP at Hazelmere are
 - E-waste recycling;
 - Tyre Recycling; and
 - Mattress recycling.
- The member Councils, with the exception of the City of Swan, have contracts for the collection of municipal waste and the collection and processing of municipal recycling that are due to expire from 2013 onwards.
- The closure of C&D Recycling operations (Abernethy Road/Great Eastern Hwy Bypass), and the Happy Valley Inert Landfill (Midland), have reduced the inert waste disposal options available in the Region.
- Over 50% of all waste being delivered to Red Hill Waste Management Facility is from commercial sources and much of that waste could potentially be diverted from landfill.

Recommendation(s)

That Council notes the activities being considered for incorporation into the Hazelmere Resource Recovery Park Project Plan as outlined within the report.

SOURCE OF REPORT

Director Waste Services



Item 9.2 continued

BACKGROUND

The EMRC purchased Lot 100 and Lot 200 Lakes Road, Hazelmere, a total area of 9.51 hectares in November 1996 with a view to construct a transfer station for use by the member Councils but, since the member Councils with the exception of the City of Swan, had contracted out their collections and, in the case of municipal waste, designated Red Hill as the disposal point, there was little merit in developing the transfer station concept. Further, since the member Councils, with the exception of the City of Swan, had contracted out the collection and processing of their resident recyclables, there was little merit in constructing and operating a dry recyclables MRF at the Hazelmere site.

In 2003 a strip of Lot 200 was sold to BGC to accommodate their encroachment onto Lot 200 and the reduced lot was designated Lot 201.

In October 2004 Envision (New Zealand) prepared a concept study for a Resource Recovery Facility (RRF) at Hazelmere in which bulk verge waste, C&D waste, greenwaste and C&I waste were identified as being waste streams that were not well catered for in the Region. The Envision Concept Study suggested a RRF be designed around four key zones: a Public Interface Zone, an Administration and Business Incubator Zone, a Small Commercial Zone and a Large Commercial Zone for activities such as C&D and C&I recycling.

Subsequent to the Envision study, and at the behest of the City of Swan's Economic Development Officer, a wood waste recycling scheme was trialled and then established at Hazelmere.

In June 2008 Hassell Ltd was commissioned to develop 'A Concept Plan for a Resource Recovery Park' at Hazelmere and this was presented to Council in October 2008. The Hassell Concept Plan suggested that the RRP should consist of a weighbridge and gate house, a Regional MRF for municipal recyclables, a re-use store, a transfer station for residents to drop off waste, an administration centre, a C&I facility, a catalytic depolymerisation plant, a greenwaste mulching area, a glass fines processing facility and space for other resource recovery operations.

The Hassell Concept Plan included, in the proposed layout, a portion of Lot 99 that is anticipated to become available once the Lloyd Street Extension through to the Great Eastern Hwy Bypass is constructed. Though the Concept Plan included photographs of the stockpiles of the processed wood waste there was no reference to an industrial woodwaste recycling facility in the Concept Plan.

REPORT

In order to progress the development of a Project Plan for the Hazelmere Resource Recovery Park an indication and some agreement on what activities are to be incorporated within the RRP from the member Councils is required so that the requirements of the member Councils can be taken into consideration.

Since a glass re-processing plant has been constructed in Kewdale there is little merit in making provision for processing glass fines as suggested in the Hassell Concept Plan but provision for the existing mattress recycling/re-use facility and industrial woodwaste facility needs to be made given that both operations are diverting significant volumes of low density waste from landfill.

The Hassell Concept Plan proposed a Regional MRF for household recyclables and suggested an area of 1.36Ha would be required. Currently member Councils' dry recyclables, other than those collected by the City of Swan, are collected and processed by Transpacific Cleanaway while those collected by the City of Swan are processed at the MRF operated by the City of Wanneroo, on behalf of the Cities of Joondalup, Swan and Wanneroo.

Most of the MRFs that are operating in the Perth Metropolitan Area, have been operating for over 15 years and there are significant space and technology constraints such that significant additional capacity will be required to cater for the population increases projected in the next 8 - 9 years. These space and technology constraints could be overcome if a new facility, to handle member Councils' dry recyclables, were to be constructed at Hazelmere.



Item 9.2 continued

Based on current construction costs and the cost of sorting equipment a MRF, to process in the order of 50,000 tonnes of recyclables per annum, will cost in the order of \$19.6 million of which \$5.0 million is the cost of the building and site works. There are economic, social and environmental benefits in undertaking the MRF operations in-house. From an economic perspective, after allowing for capital and interest payments, the costs of operating plant and the disposal costs of the residuals at Red Hill, there would be, at today's prices, a net income of \$2.9 million per annum from the dry recyclables MRF processing 50,000 tonnes. Additionally, there would be employment opportunities created and the plant will be operated to best practice environmental standards to maximise resource recovery.

Should there be support for a Regional MRF the City of Swan, currently considering a significant investment in the co-owned MRF in Wanneroo, may decide to have those recyclables collected in its southern suburbs processed at Hazelmere and, given the other member Councils have recyclable collection and processing contracts that expire in 2013 onwards, a staged project may be considered.

Other than a suggestion that there should be 1 to 2 hectare blocks for "other Resource Recovery Activities" the Hassell Concept Plan made no provision for C&D recycling. The C&D recycling operation that was being conducted by C+D Recyclers Pty Ltd, between Vale Road/Abernethy Road and the Great Eastern Hwy Bypass, has closed down having completed the processing of the stockpile of material on that site and the Happy Valley landfill on Midland Road has also closed. There are, at this point in time, limited options in the Region for inert waste processing or disposal. Whilst it is not envisaged the EMRC will undertake C&D recycling itself it is proposed to make available the land that an existing C&D operator could lease. The EMRC has received an approach from a C&D operator currently located in Bayswater that has outgrown the site it is currently on and is seeking to lease land in Hazelmere.

In regards to a C&I recycling operation, the Red Hill Waste Management Facility currently receives in the order of 160,000 tonnes of C&I waste at the landfill and it is anticipated that, within the next few years as other landfills close, this may increase to 250,000 tonnes. It is estimated that more than 50% of the C&I waste stream consists of material that could be recycled economically. A MRF to sort C&I waste, if located, at Hazelmere, will likely attract a significant volume of the waste currently being delivered to Red Hill as there would be savings in the cost of transport in the order of \$5-\$10 per tonne if trucks do not have to travel up and down from Red Hill. The establishment of a C&I sorting/recycling facility will divert significant amounts of waste from Red Hill, extend the useful life of the Red Hill site, generate income for the EMRC and reduce the member Councils' waste disposal costs for items collected as part of the verge/bulk bin collection programme.

The C&I recycling operation will be designed so material from front lift trucks and from skip bins could be sorted. It is envisaged any timber in the C&I waste stream would be sent to the wood waste recycling area, inert waste would be sent to the C&D recycling area and any cardboard, plastics, paper, scrap metal etc. combined with the cardboard, plastics, paper, scrap metal from the dry recyclable MRF and sent on to recycle users. The Hazelmere RRP would be set up on the 'Cluster Principle' with synergies, or what is now known as 'Industrial Symbiosis' principles, such that there would be opportunities for collaboration and waste streams from one process to become a raw material input for another with infrastructure such as roads, weighbridges etc. being common to each of the recycling activities. It is anticipated the materials generated by the various recycling activities undertaken at Hazelmere would form the inputs for other businesses such that a business dealing in plastics would take mixed plastics from the municipal MRF, the C&I MRF and the C&D recycling operation and sort them into the specific types e.g. HDPE, PVC LDPE etc and add value to the material being diverted.

There may also be a requirement for a transfer station, large enough to accept the member Councils waste collected from their householders, so that the member Councils, or their contractors, avoid the cost of travelling to Red Hill with relatively small loads (6-9 tonnes) resulting in a reduction in their waste collection costs. Sorting and pre-processing the municipal waste fractions, that are not recycled at Hazelmere, will remove the requirement to have a 'dirty MRF' to sort a mixed solid waste stream as part of the RRF at Red Hill since the material being sent to RRF for treatment would not need further sorting and processing. A transfer station at Hazelmere will substantially reduce the environmental impact of waste collections by reducing the amount of travel required to undertake the waste collections by obviating the need for the collection trucks travelling up to the Red Hill site.



Item 9.2 continued

The transfer station can also be designed to accommodate residents with trailers and, in addition to bins for dropping off recyclable materials the transfer station area could also incorporate a re-use shop for materials that are being dropped off or collected from the bulk waste collections that could be re-used by others.

The Hassell Concept Plan identified a requirement to set aside an area approximately 50.0m X 60.0m (3000m²) for greenwaste mulching but, since it is envisaged that in the order of 12,000 tonnes would be delivered to Hazelmere from the member Councils and commercial entities if such facility was developed a much larger area would be required. It is considered that at least 1.0 Ha (10000m²) would be needed to accommodate unprocessed greenwaste, mobile shredding equipment and the processed material pending shipment to Red Hill or elsewhere for further processing. Enquiries are being made of Haas Holzzerkleinerungs GmbH to establish what is required for the outdoor fixed woodwaste grinding system, supplied to shred the industrial woodwaste, to be set up to shred greenwaste. It is however unlikely that the bio-waste composting facility proposed in the Envision Concept Study could be located at Hazelmere without impacting on other activities.

The Envision Concept Study also suggested that a Waste to Energy facility at Hazelmere is an option to be considered and that a small scale plant generating electricity from woodwaste and greenwaste may be an option.

Consideration should also be given to making provision for the RRP to act as a central collection point for materials likely to be subjected to extended producers responsibility (EPR) legislation such as electrical and electronic waste, tyres, container drop off as a result of container deposit legislation (CDL) and packaging should the Federal/State government follow the lead of the European Union.

With the above in mind it is also suggested that there may be merit in making space available for small scale operations such as e-waste disassembly so that the volume of material being sent to e-waste recyclers is substantially reduced and the plastic and metal casings recycled, for tyre recycling and the sorting of dry cell batteries that are currently shipped as mixed batteries since, if dry cell batteries were to be sorted into the different types, the cost of having the batteries recycled could be cut by 50%.

It is anticipated that, in conjunction with a Re-use store, there could be an area allocated to sell products produced at Red Hill such as ferricrete, compost and mulch, a café and a waste education area.

It is suggested that the following activities be included for consideration in the Project Plan:

1. A materials recovery facility for member Council domestic recyclables;
2. A material recovery facility for Commercial and Industrial Waste;
3. An Industrial woodwaste processing facility;
4. A construction and demolition Waste Processing Facility;
5. A Transfer Station for member Council and residents of the Region;
6. A tyre collection and processing facility;
7. A mattress recycling and refurbishment facility;
8. An e-waste collection and disassembly facility;
9. A battery collection and sorting facility;
10. A plastic collection and sorting facility;
11. A re-use store, recovered products sales areas, a café/waste education area;
12. A small scale waste to energy facility utilising biomass/waste as a fuel source; and
13. A greenwaste mulching facility.



Item 9.2 continued

Input is also sought from member Councils for other potential activities of interest that they would like to see considered for incorporation into the Hazelmere Resource Recovery Park Project Plan.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 1 – Environmental Sustainability

- 1.1 To provide sustainable waste disposal operations
- 1.2 To improve regional waste management
- 1.3 To provide resource recovery and recycling solutions in partnership with member Councils
- 1.4 To investigate leading edge waste management practices

A Resource Recovery Park at Hazelmere that incorporates the proposed activities would satisfy each of the above requirements.

FINANCIAL IMPLICATIONS

The financial implications of undertaking the proposed activities would be considered in the business plan for each activity such that the requirement 'to facilitate sustainable economic development and employment opportunities' was met.

SUSTAINABILITY IMPLICATIONS

The development of the Resource Recovery Park at Hazelmere will ensure that waste management within the Region is sustainable.

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)

Nil

VOTING REQUIREMENT

Simple Majority



Item 9.2 continued

RECOMMENDATION(S)

That Council notes the activities being considered for incorporation into the Hazelmere Resource Recovery Park Project Plan as outlined within the report.

Discussion ensued

The Director Waste Services summarised the report and advised that direction was required from Councillors on activities to be included or removed from the Project Plan outlined in the report.

Mr Lutey queried whether there would be adequate spacing available for activities to be implemented effectively. The Director Waste Services advised that if adequate spacing was not available then activities that are deemed less critical would not be undertaken.

TAC RECOMMENDATION(S)

MOVED MR PEARSON SECONDED MR LUTEY

That Council notes the activities being considered for incorporation into the Hazelmere Resource Recovery Park Project Plan as outlined within the report.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR POWELL SECONDED CR GODFREY

THAT COUNCIL NOTES THE ACTIVITIES BEING CONSIDERED FOR INCORPORATION INTO THE HAZELMERE RESOURCE RECOVERY PARK PROJECT PLAN AS OUTLINED WITHIN THE REPORT.

CARRIED UNANIMOUSLY



9.3 ACQUISITION OF PLANT

REFERENCE: COMMITTEES-12414

PURPOSE OF REPORT

The purpose of the report is to seek Council's authorisation to acquire a new Bomag BC1172RB-2 waste compactor using the WALGA Panel Tender arrangement.

KEY ISSUES AND RECOMMENDATION(S)

- The Cat 836H waste compactor, purchased in September 2005, is scheduled to be replaced during 2011/2012 and a new waste compactor purchased.
- An unsolicited offer has been received for the Cat 836H waste compactor which has the effect of expediting the acquisition of a new Bomag BC1172RB-2 waste compactor to replace the Cat 836H in this current financial year 2010/2011.
- The disposal of the Cat 836H will be tabled at the June 2011 Council meeting in accordance with the Local Government (Functions and General) Regulations (Section 3.58).

Recommendation(s)

That:

1. Council by an absolute majority in accordance with Section 6.8 (1)(b) of the Local Government Act 1995 authorise the purchase of a new Bomag BC1172RB-2 refuse compactor from BT Equipment with an optional fire suppression system and 5 year/10,000 hours extended warranty for the sum of \$1,215,000 (ex GST) to be funded from 2010/2011 operating surpluses.
2. Council authorise the Chief Executive Officer to enter into a contract with BT Equipment in accordance with the submitted quotation subject to minor variations that may be agreed between the Chief Executive Officer and BT Equipment.

SOURCE OF REPORT

Director Waste Services

BACKGROUND

The EMRC purchased a Cat 836H waste compactor in September 2005 and it is scheduled for replacement in 2011/2012 having worked over 8,500 hours.

An unsolicited offer has been received for the Cat 836H waste compactor. The EMRC officers are of the opinion that the offer represents an opportunity to maximise the value of the Cat 836H waste compactor which was to be disposed of in 2011/2012 now.

The 2011/2012 Budget which will be considered by Council in July 2011 where funding to replace the Cat 836H with a new waste compactor of similar size was to have been sought.

REPORT

BT Equipment, the supplier of the Bomag BC1172RB-2 currently being used as the primary waste compactor on site, has indicated a new Bomag BC1172RB-2, excluding options such as a fire suppression system and an extended warranty would cost \$1,125,000 (ex GST) (see attachment).

The cost of the fire suppression system option is \$10,000 (ex GST) and the cost of a 60 month/10,000 hr conditional extended warranty is \$80,000 (ex GST).



Item 9.3 continued

The Bomag BC1172RB-2 selected is the same model currently being used at Red Hill as the primary waste compactor. The machine in use has proved reliable and the level of service from the agents BT Equipment has been far superior to that provided by WesTrac P/L. WesTrac and Bomag are the only suppliers of waste compactors with a service network in W.A. Since BT Equipment is on the WALGA Suppliers Panel for Plant there is no requirement to develop a public tender for the supply of the waste compactor.

Provision for the purchase of a new waste compactor has been included in the Draft 2011/2012 Budget to be considered by Council at the July 2011 meeting of Council but, since there is currently a 3-4 month lead time between date of order and delivery, Council is requested to authorise the placing of an order for a new compactor prior to the 2011/2012 Budget being adopted so as to reduce the time that site is reliant on the smaller Cat 826C as the back up waste compactor.

STRATEGIC/POLICY IMPLICATIONS

In order to provide sustainable waste disposal operations and improve financial performance the most efficient plant should be procured at the lowest cost.

Key Result Area 1 – Environmental Sustainability

- 1.1 To provide sustainable waste disposal operations
- 1.2 To improve regional waste management

Key Result Area 4 – Good Governance

- 4.7 To continue to improve financial and asset management practices

FINANCIAL IMPLICATIONS

The purchase of the Bomag BC1172RB-2 waste compactor will be funded from the proceeds of the disposal of the Cat 836H and operational surplus in 2010/2011.

SUSTAINABILITY IMPLICATIONS

The proposed arrangement will reduce the cost of operations and improve the sustainability of the landfill operations.

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	



Item 9.3 continued

ATTACHMENT(S)

Price Quotations – BT Equipment excluding options (Ref: Committees-12411)

VOTING REQUIREMENT

Absolute Majority

RECOMMENDATION(S)

That:

1. Council by an absolute majority in accordance with Section 6.8 (1)(b) of the Local Government Act 1995 authorise the purchase of a new Bomag BC1172RB-2 refuse compactor from BT Equipment with an optional fire suppression system and 5 year/10,000 hours extended warranty for the sum of \$1,215,000 (ex GST) to be funded from 2010/2011 operating surpluses.
2. Council authorise the Chief Executive Officer to enter into a contract with BT Equipment in accordance with the submitted quotation subject to minor variations that may be agreed between the Chief Executive Officer and BT Equipment.

Discussion ensued

The Director Waste Services summarised the report and explained the advantages and disadvantages of accepting the offer for the disposal of the Cat 836H waste compactor, necessitating the need to purchase a replacement compactor. He also advised that Council would need to consider this report in conjunction with a report being submitted to Council on 23 June 2011 for the disposal of the waste compactor.

TAC RECOMMENDATION(S)

MOVED MR STEWART-DAWKINS SECONDED MR COTEN

That:

1. Council by an absolute majority in accordance with Section 6.8 (1)(b) of the Local Government Act 1995 authorise the purchase of a new Bomag BC1172RB-2 refuse compactor from BT Equipment with an optional fire suppression system and 5 year/10,000 hours extended warranty for the sum of \$1,215,000 (ex GST) to be funded from 2010/2011 operating surpluses.
2. Council authorise the Chief Executive Officer to enter into a contract with BT Equipment in accordance with the submitted quotation subject to minor variations that may be agreed between the Chief Executive Officer and BT Equipment.

CARRIED UNANIMOUSLY



Item 9.3 continued

COUNCIL RESOLUTION(S)

MOVED CR POWELL

SECONDED CR GODFREY

THAT:

1. COUNCIL BY AN ABSOLUTE MAJORITY IN ACCORDANCE WITH SECTION 6.8 (1)(B) OF THE LOCAL GOVERNMENT ACT 1995 AUTHORISE THE PURCHASE OF A NEW BOMAG BC1172RB-2 REFUSE COMPACTOR FROM BT EQUIPMENT WITH AN OPTIONAL FIRE SUPPRESSION SYSTEM AND 5 YEAR/10,000 HOURS EXTENDED WARRANTY FOR THE SUM OF \$1,215,000 (EX GST) TO BE FUNDED FROM 2010/2011 OPERATING SURPLUSES.
2. COUNCIL AUTHORISE THE CHIEF EXECUTIVE OFFICER TO ENTER INTO A CONTRACT WITH BT EQUIPMENT IN ACCORDANCE WITH THE SUBMITTED QUOTATION SUBJECT TO MINOR VARIATIONS THAT MAY BE AGREED BETWEEN THE CHIEF EXECUTIVE OFFICER AND BT EQUIPMENT.

CARRIED UNANIMOUSLY



BT Equipment Pty Ltd
PO Box 261
Belmont, WA 6984
50 Great Eastern Highway
South Guildford, WA 6055
Australia
Tel: 08 9478 0600
Fax: 08 9478 0688
ABN 89 094 476 141

BO085.GC

11th May, 2011

Eastern Metropolitan Regional Council
Attn: Brian Jones
PO Box 234
BELMONT WA 6984

brian.jones@emrc.org.au

Dear Brian,

Further to our recent conversation, I have pleasure in detailing on the attached schedule our quotation for the supply of one (1) only new refuse compactor as discussed.

Our quotation is based on the supply of one (1) new Bomag BC1172RB-2 refuse compactor, which meets closely with your requirements and includes the following features which you outlined as being most important to you:

- | | |
|---|---|
| ✓ Premium Teeth with 10,000 hr Warranty | ✓ Window Tinting |
| ✓ Standard Trash Blade | ✓ 40 Channel UHF Radio |
| ✓ Standard 12 month/2000 hr Warranty | ✓ Radio/CD Player |
| ✓ Auto Greasing System | ✓ Sign Writing |
| ✓ Reversing Camera Colour | ✓ Ops/Parts/Workshop Manuals x 3 |
| ✓ Oil Sampling Points | ✓ 3 x Sets of Keys |
| ✓ Quick Discharge Points | ✓ Canvas Seat Cover |
| ✓ Window Guarding | ✓ FREE FIRST SERVICE WITHIN THE METRO AREA |
| ✓ 9Kg Fire Extinguisher | |
| ✓ Flashing Strobe Light with Cage | |

There are many other value added standard and safety features incorporated in these machines which will of course be fully supported by BT Equipment.

With a combined 90 plus years of experience, the merger of two of Australia's oldest independent construction equipment distributors, Banbury and Tutts-Tat Hong, assures a continued strong reputation for providing quality products supported by a first class service through BT Equipment.

BT Equipment operate from five purpose built facilities located in Perth, Sydney, Melbourne, Adelaide and Brisbane each of which incorporates Sales, Service and Spare Parts departments.

A member of Tutt Bryant Group Limited





BT Equipment's product portfolio consists of:

- Bomag** Compaction Equipment
- Sumitomo & Kato** Cranes
- Sumitomo & Kato** Excavators
- Yanmar** Mini Excavators
- Mitsubishi** Graders
- Mustang** Skid Steer Loaders
- Kawasaki** Wheel Loaders

Service

BT Equipment Perth employs a team of highly qualified and vastly experienced heavy-duty field service and workshop mechanics operating from our South Guildford Service Centre to ensure immediate service and warranty work is carried out without delay or inconvenience to our customers. In addition, a number of strategically located service agents have been appointed to reduce downtime even further.

It is our desire to develop strong and lasting partnerships with our customers and to provide the professional support and service needed to ensure your future success.

Spare Parts

BT Equipment carries a comprehensive range of service products and spare parts at all branches throughout Australia, to ensure that programmed maintenance and repairs can be carried out effectively as required. We aim to supply 90% of regular moving parts from off the shelf. Other parts will be sourced and supplied within 24 hours providing they are available within Australia.

Finance

In addition to providing quality products we are also able to arrange finance for the purchase of your machine through a number of respected finance companies.

We trust that our proposal proves acceptable and we look forward to being of service to you in the future. In the meantime, should you require any further assistance please do not hesitate in contacting us. Assuring you of our best attention at all times.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Geoff Coole', written over a light background.

GEOFF COOLE
Area Manager

A member of Tutt Bryant Group Limited





BOMAG BC 1172RB-2 REFUSE COMPACTOR SPECIFICATION

Operating weight CECE:	54500 kg
Compacting width in 2 passes:	6020 mm
Gradeability:	100%

Equipped with

- Joystick-steering
- Air conditioning
- Fully hydrostatic travel drive with independent drive for each wheel
- 3 "infinitely-variable" speed ranges for forward and reverse, with automatic load sending system (0 - 3/0 -5/0 - 12 km/h)
- Fully boxed-up under-carriage with ground clearance at 600mm
- 4 Bomag polygonal-disc compaction wheels (T30) with Bomag, pin-on landfill teeth, each wheel with 6 rows/72 teeth in front wheel, 5 rows/72 teeth in rear wheel, tooth height 200 mm
- 2 scraper bars with adjustable scrapers per wheel
- Wire cutters between wheel & machine body and, between drive hub & chassis provided for each wheel
- Dozer blade 5200mm wide with side plate, height 2225mm
- Deutz BF8M1015C, water-cooled Diesel engine. Compliance to Euro COM11/US EPA11
- Performance : 400 kW (ISO 9249)/536 HP(SAE-J1349) @ 2100 rpm
- Special engine air-intake system with air inlet at 4 metres high
- 24 volts electrical system
- Electronic fault monitoring module
- 2 side access gang-ways
- Cabin with integrated ROPS/FOPS, pressurised and noise reduced to below 74 dBA
- 4 front + 2 rear working lights

(Detailed specification per technical data sheet no. PRE 570 80 001)

A member of Tutt Bryant Group Limited





BOMAG BC1172RB-2 REFUSE COMPACTOR PROPOSAL

Purchase Price:

One (1) new Bomag BC1172RB-2 Refuse compactor in accordance with your specification \$1,125,000.00

GST: \$112,500.00

Total Price (including GST): \$1,237,500.00

OPTIONS:

- Fire Suppression System \$10,000.00 + GST
- 60 Month/10,000Hrs conditional extended warranty \$80,000.00 + GST

GST

Except where amounts payable under this quotation are stated as being GST inclusive, the considerations payable for any supply of any goods, services or other things under this quotation has been calculated initially without regard to and exclusive of any GST.

Free BT Equipment offers the first service at no charge.

Warranty:

One year warranty on the complete machine or 2000 hours, all parts and labour.

Warranties for non-genuine attachments and optional equipment are the responsibility of the original distributor or manufacturer. Wherever possible, BT Equipment will assist in the warranty process with the relevant supplier.

Condition of Sale:

This quotation can only be accepted after completion by you and BT Equipment of the enclosed Equipment Order.

Terms of Payment

This quotation is offered subject to our normal terms and conditions which include payment in full prior to unit delivery.

Exchange Rate Variation:

Equipment quoted herein is subject to fluctuation in exchange rates, import duties, transport and other costs.

Whilst every effort is made to stabilise final price, the company reserves the right to amend prices affected by such variations, such variation will be to purchaser's account.

Delivery

Delivery to site at Red Hill Landfill.

A member of Tutt Bryant Group Limited



**Availability**

3 - 4 months ex Factory Stock, subject to availability of attachments and prior sale.

Validity:

This quotation is valid for 30 days.



A member of Tutt Bryant Group Limited





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

Nil

11 GENERAL BUSINESS

The Director Waste Services advised that a letter, dated 2 June 2011, had been received from the Shire of Kalamunda stating that they are to resume management of the Walliston (Lawnbrook Road Transfer Station) effective 1 July 2011, with a potential three month transition period. The Director Waste Services also advised there is no major financial implication to the EMRC, only that an employee, who has been employed since the EMRC first took over management in 2007, would be offered an available position at the Mathieson Road Transfer Station. As the Shire of Kalamunda may wish to utilise the bins, subject to a handover period to be confirmed, the bin hire arrangement would be likely to continue but there were no significant implications for the EMRC.

12 FUTURE MEETINGS OF THE TECHNICAL ADVISORY COMMITTEE

The next meeting of the Technical Advisory Committee will be held on **Thursday 7 July 2011 (if required)** at the EMRC Administration Office, 1st Floor, Ascot Place, 226 Great Eastern Highway, Belmont WA 6104 commencing at 4.00 pm.

Future Meetings 2011

Thursday	7	July (if required)	at	EMRC Administration Office
Thursday	4	August	at	EMRC Administration Office
Thursday	8	September (if required)	at	EMRC Administration Office
Thursday	6	October	at	EMRC Administration Office
Thursday	17	November (if required)	at	Red Hill Waste Management Facility

13 DECLARATION OF CLOSURE OF MEETING

There being no further business, the Chairman declared the meeting closed at 4.26pm.



**15.3 RESOURCE RECOVERY COMMITTEE MEETING HELD 9 JUNE 2011
(REFER TO MINUTES OF COMMITTEE - ORANGE PAGES)
REFERENCE: COMMITTEES-11994**

The minutes of the Resource Recovery Committee meeting held on **9 June 2011** accompany and form part of this agenda – (refer to orange section of 'Minutes of Committees' for Council accompanying this Agenda).

QUESTIONS

The Chairman invited general questions from members on the report of the Resource Recovery Committee. Any questions relating to the confidential report will be dealt with under section 19.2 of the agenda "Confidential Items."

RECOMMENDATION

That with the exception of items, which are to be withdrawn and dealt with separately, the recommendations in the Resource Recovery Committee report (Section 15.3) be adopted.

COUNCIL RESOLUTION

MOVED CR GODFREY SECONDED CR ZANNINO

THAT THE RECOMMENDATIONS IN THE RESOURCE RECOVERY COMMITTEE REPORT (SECTION 15.3) BE ADOPTED.

CARRIED UNANIMOUSLY

RESOURCE RECOVERY COMMITTEE

MINUTES

9 June 2011

(REF: COMMITTEES-11994)

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, 9 June 2011**. The meeting commenced at **5.00pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Acting Chairman opened the meeting at 5.00pm.

2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

Committee Members

Cr Frank Lindsey (Acting Chairman)	EMRC Member	Shire of Kalamunda
Cr Gerry Pule	EMRC Member	Town of Bassendean
Cr Alan Radford	EMRC Member	City of Bayswater
Cr Glenys Godfrey	EMRC Member	City of Belmont
Cr David Färdig	EMRC Member	City of Swan
Mr Doug Pearson	Director Technical Services	City of Bayswater
Mr Ric Lutey	Director Technical Services	City of Belmont
Mr Shane Purdy	Director Infrastructure Services	Shire of Mundaring
Mr Jim Coten	Executive Manager Operations	City of Swan
Mr Peter Schneider	Chief Executive Officer	EMRC

Apologies

Cr Tony Cuccaro (Chairman)	EMRC Member	Shire of Mundaring
Mr Simon Stewert-Dawkins	Director Operational Services	Town of Bassendean
Mr Mahesh Singh	Director Engineering Services	Shire of Kalamunda

Deputy Committee Members - Observers

Cr Graham Pittaway	EMRC Member	City of Bayswater
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EMRC Officers

Mr Stephen Fitzpatrick	Manager Project Development
Mr Brian Jones	Director Waste Services
Mr Hua Jer Liew	Director Corporate Services
Ms Mary-Ann Winnett	Personal Assistant to Director Corporate Services

Guests

Mr John King	Cardno
Ms Melanie Cave	Freehills

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 7 APRIL 2011

That the Minutes of the Resource Recovery Committee meeting held on 7 April 2011, which have been distributed, be confirmed.

RRC RESOLUTION(S)

MOVED CR GODFREY SECONDED CR PULE

THAT THE MINUTES OF THE RESOURCE RECOVERY COMMITTEE MEETING HELD ON 7 APRIL 2011, WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY

6 PRESENTATIONS

6.1 RESOURCE RECOVERY FACILITY – CONTRACT OWNERSHIP MODELS

This item was dealt with later in the meeting in conjunction with Item 9.3 Resource Recovery Facility – Contract Ownership Models

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

NOTE: Section 5.23(2) of the Local Government Act 1995, details a number of matters upon which Council may discuss and make decisions without members of the public being present. These matters include: matters affecting employees; personal affairs of any person; contractual matters; legal advice; commercial-in-confidence matters; security matters; among others.

The following report item is covered in section 10 of this agenda.

7.1 RESOURCE RECOVERY FACILITY - ACCEPTABLE TENDERERS

8 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



9 REPORTS OF OFFICERS

9.1 PROGRESS REPORT ON RESOURCE RECOVERY INITIATIVES

REFERENCE: COMMITTEES-12153

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)

- The EMRC and the City of Swan have supplied Ansac Pty Ltd of Bunbury with a 30 tonne batch of refuse derived fuel for a gasification trial at their Bunbury pilot plant.
- Murdoch University has commenced a pilot scale trial of anaerobic digestion with horse manure waste from the City of Belmont's Ascot precinct.

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.*



Item 9.1 continued

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.*
8. *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.*
9. *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/RRC and are complete.

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.

Council resolved at its meeting of 31 July 2008 to attend the second international conference on Energy from Biomass and Waste in Italy and to visit waste treatment plants in preparation for the EOI process. This visit was reported to RRC at its 12 February 2009 meeting.

Other Resource Recovery Facilities operating in Australia including the EarthPower, Camelia facility, the Rethmann Integrated Waste Management Facility at Port Macquarie and the Cairns Bedminster facility now owned and operated by SITA CEC Environmental Solutions were reported in agenda item 10.1 of the 14 June 2007 RRC meeting.

A pilot scale pyrolysis technology plant has been developed by Best Energies in Gosford, NSW and was reported in the RRC July 2007 agenda (report item 9.3).

A proposed waste to ethanol project by a consortium of Holden, the Victorian Government, Caltex, Veolia, Coskata and Mitsui was reported in the RRC 8 July 2010 agenda (item 9.1).

REPORT

Gasification trials at Ansac, Bunbury

The gasification trial at Ansac's Bunbury plant using 30 tonnes of refuse derived fuel (RDF) prepared by the City of Swan has recommenced after modifications to the pilot plant. A test run for a UK client is scheduled for the week of 13 June 2011 following which City of Swan and EMRC representatives will be invited to inspect the plant.

Ascot Horse Manure Project

Murdoch University has commenced a pilot scale trial of anaerobic digestion with horse manure waste from the City of Belmont's Ascot precinct. This is being funded by the City of Belmont and is of interest to Perth Racing and the EMRC.



Item 9.1 continued

The City of Belmont has also continued discussions with UWA regarding participation in a research trial being conducted by UWA Centre for Energy - An Innovative Two-Phase Anaerobic Process for Biogas Production from Green Waste and Animal Droppings.


Progress reports on resource recovery initiatives being undertaken elsewhere in Australia are attached (Attachment 1).

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 1 – Environmental Sustainability

- 1.3 To provide resource recovery and recycling solutions in partnership with member Councils

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 and State programmes for reduction of waste to landfill.

ATTACHMENTS

Progress on Resource Recovery Initiatives in Australia as at 26 May 2011 (Ref: Committees-12153)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That the report be received.



Item 9.1 continued

Discussion ensued

Cr Godfrey referred to page 3 of the Agenda – Gasification Trials at Ansac, Bunbury and asked when the City of Swan and EMRC representatives would be visiting the Bunbury plant. The Manager Project Development advised that it was planned for the week commencing 13 June 2011 but he was waiting for confirmation from Ansac as they needed to complete a performance trial on refuse derived fuel before the visit.

RRC RECOMMENDATION(S)

MOVED CR FÄRDIG

SECONDED CR PULE

That the report be received.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR GODFREY

SECONDED CR ZANNINO

THAT THE REPORT BE RECEIVED.

CARRIED UNANIMOUSLY



Item 9.1 continued

Attachment 1 to RRC 9 June 2011 Item 9.1

PROGRESS REPORTS ON RESOURCE RECOVERY INITIATIVES IN AUSTRALIA AS AT 26 May 2011

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

Technology: Bedminster aerobic composting. Contract model: D&C. Bin system: 2 bin system.

No further progress to report.

Rivers Regional Council, Resource Recovery Project

Technology: Undecided - aerobic composting or anaerobic digestion. Contract model: Most likely BOO. Bin system: 2 bin system.

No further progress to report.

Atlas Waste Treatment Facility, Mirrabooka

Technology: Dirty MRF and windrow aerobic composting. Contract model: BOO (for City of Stirling). Bin system: 2 bin system.

No further progress to report.

Mindarie Regional Council (MRC), Resource Recovery Project

Technology: Conporec aerobic composting. Contract model: BOO (SITA is the operator). Bin system: 2 bin system.

No further progress to report.

Ti Tree Bioenergy Project, Queensland

Technology: Landfill with methane extraction. Contract model: Privately owned. Bin system: N/A.

No further progress to report.

Veolia Woodlawn Bioreactor Project, NSW

Technology: Landfill with methane extraction. Contract model: Privately owned. Bin system: 2 bin system.

No further progress to report.

Emergent Capital, Eastern Creek, NSW

Technology: Anaerobic digestion (UR-3R process). Contract model: D&C. Bin system: 2 bin system.

The facility is believed to be operating only as an aerobic composting facility.

AnaeCo, Shenton Park

Technology: Anaerobic digestion (DiCom process). Contract model: BOO (for WMRC). Bin system: 2 bin system.

No further progress to report.

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

Technology: Aerobic composting. Contract model: BOO. Bin system: 3 bin system.

No further progress to report.

WSN Environmental Solutions, South Sydney, AWT Facility

Technology: Anaerobic digestion (ArrowBio process). Contract model: BOO. Bin system: 3 bin system.

SITA are now the owners of WSN's operations.



9.2 RESOURCE RECOVERY PROJECT UPDATE

REFERENCE: COMMITTEES-12156

PURPOSE OF REPORT

To update Council on the progress of the Resource Recovery Facility (RRF) project.

KEY ISSUES AND RECOMMENDATION(S)

- The project team has amended and resubmitted the draft Environmental Scoping Document (ESD) after discussions with the Office of the EPA.
- Air quality baseline monitoring at Red Hill Waste Management Facility is continuing as part of the preparation for the Public Environmental Report (PER).
- Gathering of emissions data from acceptable tenderers for the PER modelling is continuing.
- The draft Community Partnership Agreement (CPA) was made available for public comment from 28 March until 16 May 2011 and feedback was received from 17 community members.
- The Community Task Force (CTF) has continued to meet and consider draft tender criteria as well as preliminary feedback on the CPA.
- Analysis of member Council financial statements for 2010 is underway in conjunction with the WA Treasury Corporation to update the analysis of member Council ability to guarantee a loan for the RRF.
- Planning is underway for a community presentation on anaerobic digestion technology.

Recommendation(s)

That the report be received.

SOURCE OF REPORT

Manager Project Development

BACKGROUND

On 30 April 2009, Council resolved to proceed with the Expression of Interest process.

At the 27 August 2009 meeting of Council it was resolved:

- "1. THE FOLLOWING RESPONDENTS TO THE EXPRESSION OF INTEREST ARE LISTED AS ACCEPTABLE TENDERERS:
 - A. ENERGOS AS;
 - B. EVERGREEN ENERGY CORPORATION PTY LTD;
 - C. GRD MINPROC LIMITED;
 - D. MOLTONI ENERGY PTY LTD;
 - E. SITA ENVIRONMENTAL SOLUTIONS;
 - F. TRANSPACIFIC CLEANAWAY LIMITED; AND
 - G. WSN ENVIRONMENTAL SOLUTIONS.
2. THE FOLLOWING RESPONDENTS TO THE EXPRESSION OF INTEREST ARE NOT LISTED AS ACCEPTABLE TENDERERS:
 - A. ANAECO LIMITED; AND
 - B. THIESS SERVICES PTY LTD.



Item 9.2 continued

3. *THE RESPONDENTS TO EXPRESSION OF INTEREST 2009-10 BE ADVISED OF THE OUTCOME OF THE ASSESSMENT.*
4. *THE ATTACHMENT REMAINS CONFIDENTIAL AND BE CERTIFIED BY THE ACTING CHIEF EXECUTIVE OFFICER AND THE EMRC CHAIRMAN.*
5. *THE TENDER EVALUATION COMMITTEE BE ACKNOWLEDGED FOR THE SIGNIFICANT EFFORT PUT INTO EVALUATING THE EOI SUBMISSIONS."*

On 24 September 2009, Council resolved that:

- "1. *THE FOLLOWING PRELIMINARY RECOMMENDATIONS OF THE RESOURCE RECOVERY COMMITTEE FORM THE BASIS OF CONSULTATION BETWEEN THE EMRC AND THE MEMBER COUNCILS AND THE COMMUNITY WITH THE INTENTION OF REPORTING BACK TO COUNCIL IN APPROXIMATELY MARCH 2010 WITH A FINAL RECOMMENDATION.*
- A) *RED HILL WASTE MANAGEMENT FACILITY IS THE PREFERRED SITE FOR THE RRF BASED ON ENVIRONMENTAL, ECONOMIC AND PLANNING CONSIDERATIONS, COMMUNITY RESEARCH AND THE POTENTIAL VALUE OF THE EMRC HAZELMERE SITE AS A RESOURCE RECOVERY PARK.*
- B) *THE DESIGN & CONSTRUCT CONTRACT OWNERSHIP MODEL IS PREFERRED TO A BUILD OWN OPERATE CONTRACT MODEL.*
- C) *THE RRF TECHNOLOGY OPTIONS INCLUDING ANAEROBIC DIGESTION, GASIFICATION AND PYROLYSIS ARE RANKED HIGHER THAN COMBUSTION AND PLASMA AT THIS STAGE BUT MORE INFORMATION IS REQUIRED BEFORE A FINAL PREFERENCE CAN BE DETERMINED.*
- D) *A THIRD BIN FOR HOUSEHOLD ORGANIC WASTE COLLECTION IS CONSIDERED IN CONJUNCTION WITH ANAEROBIC DIGESTION TECHNOLOGY."*

Further, on 4 December 2009, Council resolved that:

- "1. *COUNCIL APPROVE A VISIT TO EASTERN STATES AND OVERSEAS RESOURCE RECOVERY REFERENCE FACILITIES TO BE UNDERTAKEN BY THE CHAIRMAN, RESOURCE RECOVERY COMMITTEE, MR JOHN KING, PROJECT DIRECTOR FOR CARDNO LIMITED AND THE MANAGER PROJECT DEVELOPMENT.*
2. *INFORMATION GAINED FROM THE VISIT BE REPORTED TO THE RRC AND COUNCIL IN EARLY 2010 AS PART OF THE FINAL RECOMMENDATION ON THE PREFERRED RESOURCE RECOVERY FACILITY OPTIONS."*

On 22 April 2010, Council resolved in relation to the reference facility visits that:

- "1. *THE REPORT BE RECEIVED.*
2. *INFORMATION GAINED FROM THE RESOURCE RECOVERY FACILITY VISITS BE APPLIED TO THE ANALYSIS OF THE PROJECT OPTIONS ON TECHNOLOGY, CONTRACT MODEL AND BIN COLLECTION SYSTEM.*
3. *THAT THE ATTACHMENT TO THIS REPORT REMAIN CONFIDENTIAL AND BE CERTIFIED BY THE CHIEF EXECUTIVE OFFICER AND CHAIRMAN."*

On 20 May 2010, Council resolved that:

- "1. *THE FOLLOWING OPTIONS ARE CONFIRMED AS THE PREFERRED OPTIONS FOR THE RESOURCE RECOVERY FACILITY:*
- A) *RED HILL WASTE MANAGEMENT FACILITY IS THE PREFERRED SITE FOR THE RRF.*
- B) *THE DESIGN & CONSTRUCT CONTRACT OWNERSHIP MODEL IS PREFERRED TO A BUILD OWN OPERATE CONTRACT MODEL AT THIS STAGE OF THE PROJECT.*



Item 9.2 continued

- C) *THE RRF TECHNOLOGY OPTIONS INCLUDE ANAEROBIC DIGESTION, GASIFICATION, PYROLYSIS AND COMBUSTION. PLASMA TECHNOLOGY WILL ONLY BE CONSIDERED IF IT IS AN INTEGRAL PART OF ONE OF THESE TECHNOLOGIES.*
- D) *A THIRD BIN FOR HOUSEHOLD ORGANIC WASTE COLLECTION BE CONSIDERED IN CONJUNCTION WITH ANAEROBIC DIGESTION TECHNOLOGY, OTHERWISE A TWO BIN SYSTEM IS RECOMMENDED FOR THE THERMAL TECHNOLOGY OPTIONS.*
- 2. *COUNCIL PROCEEDS WITH THE ENVIRONMENTAL AND PLANNING APPROVALS TASK FOR THE RESOURCE RECOVERY PROJECT BASED ON THE PREFERRED SITE AND TECHNOLOGY OPTIONS."*

On 21 October 2010, Council resolved to amend the Resource Recovery budget to allow for the predicted cost of baseline environmental monitoring and additional consultant costs as follows:

"THAT THE BUDGET FOR SEEK ENVIRONMENTAL APPROVALS (TASK 15) IN THE ANNUAL BUDGET UNDER RESOURCE RECOVERY BE INCREASED FROM \$220,000 TO \$525,000 AND THAT THIS INCREASE BE FUNDED FROM THE SECONDARY WASTE RESERVE."

By way of explanation, the two contract ownership models being considered for the RRF are as follows:

Build Own Operate

Under a Build Own Operate (BOO) contract delivery model, the Contractor will be required to build, finance, own and operate the facility for a fixed period of time (the economical life of the facility and anticipated to be for 20 years). Under this contract model, some of the project risks, and in particular, the risks associated with the design, construction and performance of the RRF, are transferred to the Contractor.

Design and Construct

Under a Design and Construct (D&C) contract delivery model, the Contractor will design and construct a facility that conforms to agreed standards and performance requirements. If the D&C model was adopted by the EMRC, the Contractor will also be required to operate the facility for a minimum of 12 months and up to two years after the completion of wet commissioning. Under this contract model, the operational and ownership risks would be assumed by the EMRC, particularly following transfer of operational responsibilities to the EMRC and expiry of warranties and defects liability periods. The EMRC may operate the facility using its own staff or enter into a separate contract for the operation of the facility under this D&C contract delivery model.

Acceptable Tenderers and Technologies

Acceptable Tenderers as at 20 May 2010	Technology Offered at EOI Stage
Energos AS	Gasification
Evergreen Energy Corporation Pty Ltd	Anaerobic Digestion
Amec Minproc Limited	Anaerobic Digestion and Combustion
Moltoni Energy Pty Ltd	Combustion
SITA Environmental Solutions	Anaerobic Digestion and Combustion
Transpacific Cleanaway Limited	Anaerobic Digestion
WSN Environmental Solutions	Anaerobic Digestion

REPORT

Environmental Scoping Document (ESD)

Following a meeting with an EPA officer on 2 May 2011, the ESD was amended and resubmitted on 17 May 2011. The EPA is expected to sign off the content of the ESD in June 2011. Meanwhile Cardno are progressing with the drafting of the Public Environmental Report (PER).



Item 9.2 continued

Environmental Monitoring for the PER

A draft report on the background noise monitoring at Red Hill Waste Management Facility has been received from consultants Lloyd George Acoustics which indicated potential noise regulation non-compliances due to night-time noise emissions. This has been attributed to noise emissions from the Landfill Gas and Power (LGP) power station. The EMRC is liaising with LGP over this. Consultants Lloyd George Acoustics will complete noise modelling for the various technology options when noise data has been received from the Acceptable Tenderers.

A draft report on the baseline odour monitoring at Red Hill Waste Management Facility has been received from SLR Consulting Australia showing the results of odour emissions analysis by source including the LGP power station. This report highlighted that the LGP power station engine exhausts were the highest odour source, followed by the fresh green waste windrows. This information will be entered into the dispersion model to provide baseline odour contours and when the receipt of emissions data from the Acceptable Tenderers is complete, modelling of predicted emissions from the technology options will be completed.

Synergetics Environmental Engineering is conducting air quality monitoring and modelling at Red Hill Waste Management Facility. The monitoring programme commenced at the beginning of April 2011 for two months and has been extended to the end of July to gain additional data during winter months.

Emissions data on noise, odour and air quality from the acceptable tenderers for their respective technology options outlined in their Expressions of Interest has been received during May 2011 with some information still to be received. When fully received, the emissions data will be used during the modelling of predicted emissions from the different technology options to establish noise and air quality levels with and without the RRF.

Community Engagement

The CTF met on 3 May 2011 to consider preliminary feedback on the draft CPA and to consider the draft tender evaluation criteria (refer attachment 1). The draft CPA was issued for community comment for a 7 week period from 28 March 2011 to 16 May 2011 during which time 17 responses were received. Availability of the draft CPA was advertised in community newspapers, on the EMRC website, via a letterbox drop around Red Hill and the Gidjegannup Post Office and via the electronic database for the project. These 17 responses are being assessed by the EMRC and will be considered at the next meeting of the CTF. Once finalised, a report will be prepared for Council endorsement and inclusion of the CPA in the tender documentation.

The next meeting of the CTF is planned for 14 June 2011 to consider community feedback on the draft CPA and progress the draft tender evaluation criteria.

Member Council Loan Guarantee Analysis

Analysis of member Council financial statements for 2010 is underway in conjunction with the WA Treasury Corporation (WATC) to update the analysis of member Council capacity to guarantee a loan for the RRF. Previously this was done using the 2008/2009 financial statements, results of which were advised to the member Councils in the 2010 round of briefings. Discussions have been held with WATC on the current methodology of loans and credit assessment and this is being taken into account in the analysis by EMRC officers.

Community Forum on Anaerobic Digestion

Planning has been underway for a presentation on anaerobic digestion technology by a visiting overseas consultant. Mr Gerald Tetchner of Enertech in the UK will be in WA doing consulting work with Ansac in Bunbury during June 2011 and preliminary agreement has been reached to make Mr Tetchner available for a presentation to councillors and officers and to the community on anaerobic digestion technology, similar to the presentations held in April 2010 on waste to energy technologies. (Refer to attachment 2 for a copy of Mr Tetchner's Curriculum Vitae).

The likely dates for the presentations are on 23 June 2011 (for the Council presentation) and 24 June 2011 for the community presentation. Invitations will be issued as soon as this is confirmed.



Item 9.2 continued

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 1 – Environmental Sustainability

- 1.3 To provide resource recovery and recycling solutions in partnership with member Councils


FINANCIAL IMPLICATIONS

The 2010/2011 budget for the Resource Recovery Project is \$1,272,030. All costs covered within this report are within budget parameters.

SUSTAINABILITY IMPLICATIONS

The Resource Recovery Facility and/or Resource Recovery Park will contribute toward minimising the environmental impact of waste by facilitating the sustainable use and development of resources.

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. Unconfirmed minutes of Community Task Force Meeting of 3 May 2011 (Ref: Committees-12387)
2. Mr Gerald Tetchner's Curriculum Vitae (Ref: Committees-12386)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That the report be received.

Discussion ensued

Cr Godfrey sought clarification on what the analysis of member Council financial statements would entail and what benefit would be gained by the analysis. The Manager Project Development advised that the EMRC had been using the published information from the member Councils, in particular the 2009/2010 financial statements and 2010/2011 budgets. The analysis is based on the WA Treasury Corporation's guidelines with a view to analysing the member Councils' ability to borrow and to repay debt. This would assess their ability to guarantee a loan to the EMRC for the construction of the Resource Recovery Facility.



Item 9.2 continued

The Manager Project Development advised that Mr Gerald Tetchner of Enertech Engineering Consultants would give a presentation on anaerobic digestion technologies at the Ordinary Meeting of Council being held on 23 June 2011 and at a forum being held at EMRC on 24 June 2011. Mr Tetchner's availability was dependent on the refuse derived fuel performance trial at Ansac's Bunbury plant.

In response to Cr Godfrey's query on whether the extension of the air quality monitoring and modelling at the Red Hill Waste Management Facility had been an additional cost, the Manager Project Development confirmed that there had been a variation to the contract for the additional monitoring and the additional cost was \$77,000 ex GST.

RRC RECOMMENDATION(S)

MOVED CR FÄRDIG

SECONDED CR LINDSEY

That the report be received.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR GODFREY

SECONDED CR ZANNINO

THAT THE REPORT BE RECEIVED.

CARRIED UNANIMOUSLY

Community Task Force - Meeting Notes

Date: 3rd May 2011 **Venue:** EMRC office

Attendee	Attendee	Attendee
Martin Chape	✓	Peter Jensen
Jan Foster-Hawkings	✓	Myles Harmer
Noel Hales	✓	Peter Pearson
Max Jamieson	✓	Noelene Wigmore
Other:		Other:
Present ✓ Apology = x Observer/Presenter = O		

Meeting Opened: 6:35pm **Meeting Chair:** Joel Levin

Item	Issue/ Topic	Discussion
1.	Previous Minutes	Past action items were reviewed. All items completed.
2.	Future Meetings	The date for the July meeting was set for July 12 th It was also noted that there are only three more meetings of the CTF scheduled.
Action/Resolution 1.		Include succession planning into the next agenda
		Who 1 Joel

3. EMRC Update	<p>Stephen Fitzpatrick provide an overview of the various monitoring activities underway on and around the Red Hill site. These activities are designed to provide the EMRC with a benchmark for Air, Noise, Odour levels. These levels will be provided to any prospective Tenderers to model the potential impact of their proposed facility.</p> <p>Three forms of air quality monitoring has been occurring on and around the Red Hill site (neighbouring residence have given permission for monitoring stations to be placed on their property).</p> <ol style="list-style-type: none"> 1) Huts – comprehensive monitoring station for SO₂, NO_x, CO and particulates. 2) Passive Stations – testing for organic compounds (such as aldehydes and ketones, PAH's) 3) High Volume station – that capture air samples over a 24hr period <p>While cost is a significant factor, there was some discussion about ways to maximise the duration of the monitoring. Eg: retain the passive stations for longer if the 'huts' are booked to go elsewhere.</p> <p>A Weather station is now in place at Red Hill that will provide accurate data on the prevailing winds and weather conditions to more accurately respond to any complaints.</p> <p>Odour surveys and noise surveys have been completed. The power station was identified as a significant source of noise (especially in the evenings). EMRC will approach the company about this.</p> <p>The modelling for noise, air and odour is in progress,</p> <p>The number of tenderers has decreased from seven to six, due to an amalgamation of two companies.</p> <p>EPA has provided feedback in the environmental scoping documents. Some amendment will be made and resubmitted to EPA in June. This will then give the EMRC a clearer timeline for the PER (community comment period) process.</p>
Action/Resolution 2. Action/Resolution 3.	<p>Who 2 Stephen</p> <p>Who 3 EMRC</p>
4. Draft CPA Consultation feedback	<p>There are still two weeks to run with the comment period and there have been 9 responses to date.</p> <p>There has been some feedback that the PDF feedback form made it difficult for people to provide a response.</p> <p>Overall the feedback for the CPA was positive and CTF members identified areas and suggestion from the feedback.</p> <p>These suggestions would be revisiting once all comments are in and reviewed at the next meeting to finalise the CPA.</p>
Action/Resolution 4. Action/Resolution 5. Action/Resolution 6.	<p>Create a online forum equivalent for the PDF form</p> <p>Circulate the link with an acknowledgment of the issue and a reminder that there is two weeks to go. Place link on CTF website</p> <p>Follow up with CPA feedback where clarification is required and thank the contributors.</p> <p>Who 4 Joel</p> <p>Who 5 Stephen</p> <p>Who 6 Stephen</p>

5. TEC Drafting	<p>The final task of the CTF is to input into the development of the Draft Tender Criteria (TEC). These criteria would be used by the EMRC to shape the Tender application. The CPA will also form part of the Tender Evaluation process</p> <p>The CTF members reviewed past drafts of the CPA to identified the elements that would be best suited for inclusion in the TEC.</p> <p>le: Looking for elements that were removed from the CPA, that CTF members felt where time limited to the tender process only and therefore not required for the CPA, however still relevant for the TEC.</p> <p>The focus for the CTF was to 'start' the process of refinement and not get into drafting until the CPA is finalised.</p>
Action/Resolution 7.	<p>CTF members to review past drafts and raw noted to contribute other ideas for inclusion in the TEC</p> <p>Who 7 ALL</p>

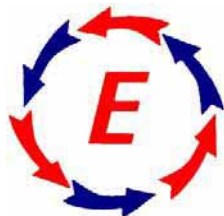
6. Meeting Closed	8:05pm	7. Next meeting	June 14 th 2011
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These minutes have been ratified by ALL members of the CTF as a true and accurate record of the meeting

Signed on behalf of CTF Members: **Joel Levin (Independent Facilitator)** **Date: 5/05/2011**

ACTION LIST

Action/Resolution 1.	Include succession planning into the next agenda	Who 1	Joel
Action/Resolution 2.	Look at the timing of the PER to enable CTF members to access the document in line with the CTF meeting schedule. CTF members ot have the document two weeks prior to the meeting	Who 2	Stephen
Action/Resolution 3.	Next round of community feedback to be collated/ themed for the CTF to make discussion more efficient.	Who 3	EMRC
Action/Resolution 4.	Create a online forum equivalent for the PDF form	Who 4	Joel
Action/Resolution 5.	Circulate the link with an acknowledgment of the issue and a reminder that there is two weeks to go. Place link on CTF website	Who 5	Stephen
Action/Resolution 6.	Follow up with CPA feedback where clarification is required and thank the contributors.	Who 6	Stephen
Action/Resolution 7.	CTF members to review past drafts and raw noted to contribute other ideas for inclusion in the TEC	Who 7	ALL



Enertech (1983) Ltd.

ENGINEERING CONSULTANTS

GERALD TETCHNER

Professional Experience

Gerald Tetchner as MD of Enertech Engineering Consultants has been involved for over 25 years in Renewable Energy Projects, which have included Anaerobic Digestion, Landfill Gas, Biomass, Waste Resource Management Projects and a combination of the above. His professional life has extended over 40 years working initially in the Marine Engineering Industry building and operating ships then into the building and designing of Thermal Heat Exchangers and Boilers for the Power Station and Chemical Industries, World wide.

He has also been associated with and lectured at Leeds University in the Civil Engineering Department and Fuels & Energy Innovation Department for over 20 years as an experienced project development engineer working with UK Renewable Energy Government Programmes.

Summary of Projects/Experience

As an approved consultant working with the following UK Government Departments:

DTI, DECC, DEFRA and Future Energy Solutions for a number of years has been closely associated with the development of Anaerobic Digestion and its expansion in both the Sewage Industry and now the MSW/Organic Food Industries as a Bio Energy Resource.

Also as a DTI/DECC Assessor has been closely involved with the development of Gasification, Pyrolysis and Advanced Combustion Techniques with Multiple Biomass Feed Stocks.

- 1996 – 2000: Ran a Research Centre at Leeming North Yorkshire in AD Processes.
- May 2000: Carried out a DTI investigation and review of the Integrated Waste Management Service of one of the larger Southern Counties combined with a review of Integrating Anaerobic Digestion into this strategy.
- August 2000: At the invitation of the Chinese Government, investigated and reviewed two large Landfill Projects in Anshan, one of 4 million cubic metres and the other designed to go to 15 million cubic metres capacity. From this visit, a report was formulated so an integrated waste strategy could be proposed for both the site operation and gas utilisation.
- 2001: Review of Gasification / Pyrolysis technology for banks.
- August 2003: Technical support adviser on research into MBT/Thermal processing of MSW.
- November 2003: Reviewed Biomass Fuel Technology for DTi/Banks.
- 2005: Review of Gasification / Pyrolysis technology for banks – Updated.
- 2001 – 2005: Technical support and advisor on waste and environmental issues for the DTi project at Fairport Engineering to produce multi-fuel from MSW.
- 2006: Project Supervisor for the Green Fuel Challenge Project converting Landfill Gas into fuel for vehicle use.
- 2006: Resource Management for Guernsey Waste – ongoing.
- Involved in 18 Landfill Projects in the UK and China.
- Involved in 47 CHP Biogas projects.
- Working with the Portuguese Government Agency on Environmental issues in an advisory capacity.

- 2006: Various presentations on MBT for the CIWM and lectures conducted for Leeds University to 2nd year MSC Students.
- 2006: Carried out 2 Pyrolysis and 3 Gasification studies and researched a Hi Temperature Plasma project for the DTi.
- 2007: Carried out technical Due Diligence into Pyrolysis, Gasification and Anaerobic digestion for Matrix, Deutsche Bank, Nord LLB and the Co-operative Bank.
- 2007: Provided Bio-Diesel technical support for the Carlyle Group and Bio-Fuels technical support for Invest North East.
- 2007: On behalf of the DTi and BERR carried out a survey into alternative fuels and waste.
- 2008: Carried out a Waste survey in food and alternative waste streams suitable for digestion in Yorkshire and the North East.
- 2008: Carried out a Bio-Fuels review of facilities for Central Government.
- 2008: Reviewed 3 Gasifier projects, 2 Pyrolysis projects and 2 Anaerobic Digestion projects for W.M.D.C.
- 2008: Technical advisor on the utilisation of Landfill Gas for vehicle use on behalf of companies in the USA, Spain and the UK.
- 2008: Provided a Due Diligence on a Plasma Arc gas unit in Spain.
- 2008: Ongoing technical support on Pyrolysis and MBT for 3 companies in England and Wales and trialling new waste composition in light of new waste legislation.
- 2008 - 2009: Carried out Technical Due Diligence on 64 AD Process Suppliers World Wide for Enviroparks Project Wales.
- 2008 – 2009: Assess efficiency of conventional AD of MSW and food waste against Fast Liquid Digestion.
- 2010: Carried out cost/versus energy efficiency of 6 Advance Digestion Processes.
- 2010: Working with DECC, DEFRA, NNFFC on integration of Bio Feed Stocks as Bio Methane for vehicle fuel use.
- 2010: Member of REA Group on AD & Bio Feed Stocks.
- 2010: Is retained as an Advisor/Owners Engineer on the largest proposed AD Plant from Food/MSW Organic Waste Streams in the UK.

AUTHOR/CO-AUTHOR OF THE FOLLOWING REPORTS:

- Involved in rewriting Small Scale CHP guidance notes for Engines Running on Natural and Biogas fuels, plus visiting and researching over 80 CHP installations as part of review.
- Involved with F.E.C. on reviewing Wood Burning Boilers.
- Guidance notes on Centralised Anaerobic Digestion of Farm Wastes.
- Study into Renewable Energy in Southern England.
- Comparing the Environmental Impacts of Incineration to Landfill Disposal.
- Comparing ways of removing H₂S from Biogas.
- Survey of emissions from gas engines fuelled on Biogas from Sewage Works.
- Advisor on formation of Waste Guidance Notes for the I.W.M. series 27 with Mr. C. Welsh of West Yorkshire Waste Management.
- Good practice guidelines on Anaerobic Digestion of Farm and Food Processing Residues.
- DTi study and research project into producing a renewable energy / ROC able fuel from the bi-organic fraction of MSW.
- Research into Bio-organic fraction of MSW for co-firing in Power Stations.
- Researched different methods of cleaning landfill gas for vehicle fuel CNG and LNG then worked with client on operational plant for Green Fuel Challenge.
- Written several papers on MBT processes and fuel produced.
- Written with others Guidance Notes on the integration of multiple technologies for the processing and conversion of different waste streams to gain the greater efficiency of feed stocks to energy.

Appointments and References:

Memberships:

- Member of the Chartered Institute of Waste Management
- Member of the Institute of Plant Engineers
- Member of the Society of Operations Engineers
- Member of the Anaerobic Digestion Committee of Renewable Energy Association

Professional References:

Professor Edward I Stentiford
 Biwater Prof. Of Public Health Engineering
 University of Leeds
 School of Civil engineering
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9.3 RESOURCE RECOVERY FACILITY - CONTRACT OWNERSHIP MODELS

REFERENCE: COMMITTEES-12157

PURPOSE OF REPORT

To advise Council of the outcome of a review of the contract ownership models for the Resource Recovery Facility.

KEY ISSUES AND RECOMMENDATION(S)

- The Design Build Operate and Maintain Contract (DBOM) model has been reviewed and compared to the Design and Construct (D&C) and Build Own Operate (BOO) contract models.
- The issue of ownership of the Resource Recovery Facility (RRF) is separate from the issue of operation and maintenance of the facility.
- There are advantages if the EMRC own the RRF.
- There potential advantages to the EMRC with the contractor operating and maintaining the RRF.

Recommendation(s)

That:

1. Council confirms the Design & Construct and the Design Build Operate and Maintain contract models are preferred to the Build Own Operate model at this stage of the project.
2. Council notes a final decision on the preferred contract model will be made prior to preparation of the Resource Recovery Facility tender documentation.

SOURCE OF REPORT

Manager Project Development

BACKGROUND

At the 9 April 2011 meeting of the Resource Recovery Committee (RRC), Mr John King of Cardno and Ms Melanie Cave of Freehills provided a presentation on the contract model options, the acceptable tenderer contract option preferences and the key features and issues of the models being considered.

The Committee requested that the EMRC investigate the DBOM model and provide a further report to Council.

REPORT

Cardno have prepared a report on the ownership and operation options for the RRF including Term Sheets developed by Freehills for a Design Build Operate and Maintain (DBOM) contract model (refer attachment).



Item 9.3 continued

The report compares the three contract models under consideration including the Design and Construct D&C model which is Council's current contract model preference, the BOO contract model and the recently suggested DBOM contract model. This comparison considers ownership issues, operation and maintenance issues and recommends the DBOM as the preferred contract model on the basis that:

1. The RRF is best financed and owned by the EMRC. This has advantages over private ownership under the BOO contract model in terms of being able to upgrade or expand the facility and as shown in previous analysis it provides lower costs in terms of the financing; and
2. There are potential advantages in having the preferred tenderer for the RRF not only undertake the design and construction of the facility as they would under the D&C model but also the operation and maintenance of the facility.

The key assumptions in this assessment are that:

1. The DBOM model brings an experienced operator into the project; and
2. The operator can better manage the interface issues between the various work packages, particularly the technology specification, engineering design, construction, commissioning, operation and maintenance, sales and marketing of products.

Officer Comment

The analysis by Cardno has included a preliminary update of the financial model to compare the DBOM contract model with both the D&C and BOO contract models. Previous analysis by Cardno showed that the D&C contract model provided better value to the member Councils than a BOO contract model. The updated analysis shows that for a two bin system, the DBOM contract model is comparable to the D&C option, both of which are more favourable than the BOO option. This is attributed to the reduction in the financing cost for the DBOM option and whilst there is a premium paid for the operations and maintenance, the risk cost is lower.

Following the visit to Perth in April 2010 by Professor Themelis and Ms Robin Davidov, Ms Davidov has confirmed that the preferred contract model used by the Northeast Maryland Waste Disposal Authority (the Authority) in procuring waste management facilities (including waste to energy plants) is the full service model, which is similar in most respects to the DBOM model under consideration by EMRC.

This means that the vendor selected by the Authority is responsible for the design, permitting, construction and operations for 20 years. There are typically two five year extensions, but only at the Authority's option (due to US State law). In Ms Davidov's experience this has resulted in more efficient and better operations, but the trade off is a higher capital cost because the vendor is taking the risk on the cost of construction. By getting competitive proposals and spending a lot of effort negotiating, they feel that they are able to receive a competitive price. Their other reason for adopting a full service model is that the vendor will not take shortcuts on construction if it is responsible for operations over a long term. One way they suggest to reduce the project cost is to share the construction cost risk. Due to the uncertainty with construction costs in the U.S. (labour and materials), they fix the construction price on the selection date, and then allow the cost to increase or decrease by a construction cost/labour cost index formula.

The Authority have adopted this strategy because they believe this is the best use of their expertise in managing the contract, ensuring the key performance indicators are met and leaving the business of running a large power station to those with appropriate expertise.



Item 9.3 continued

In comparison the D&C model provides for an initial operating period of up to two years to prove the performance of the facility and train personnel. This model also allows for the EMRC to offer an extended operation and maintenance contract beyond the initial operating period. This would preferably be detailed in the tender specification. This could potentially achieve the same objectives as a DBOM model but with less incentive for the tenderer because of the uncertainty of outcome.

In conclusion, EMRC's choice of the preferred contract model clearly needs to include the option of a DBOM contract model. A final choice does not necessarily need to be made now however it will need to be made before calling for tenders for the RRF in mid-2012 based on the current project schedule.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 1 – Environmental Sustainability

- 1.3 To provide resource recovery and recycling solutions in partnership with member Councils

FINANCIAL IMPLICATIONS


Nil

SUSTAINABILITY IMPLICATIONS

Key Result Area 1 – Environmental Sustainability

- 1.3 To provide resource recovery and recycling solutions in partnership with member Councils

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)

[Report – EMRC Resource Recovery Facility – Ownership and Operation Options \(Ref: Committees-12394\)](#)

VOTING REQUIREMENT

Simple Majority



Item 9.3 continued

RECOMMENDATION(S)

That:

1. Council confirms the Design & Construct and the Design Build Operate and Maintain contract models are preferred to the Build Own Operate model at this stage of the project.
2. Council notes a final decision on the preferred contract model will be made prior to preparation of the Resource Recovery Facility tender documentation.

Mr King of Cardno provided a presentation on the Resource Recovery Facility – Contract Ownership Models.

Discussion ensued

Cr Färdig queried whether the NPV figures for the D&C and DBOM options were correct. Mr King confirmed that the figures were correct and that the difference between them related mostly to the discount rate and that the figures were part of an economic or financial assessment of the options, not an accounting assessment.

In response to the CEO's query on whether the risk cost was recovered from the gate fee and put into the Reserve, Mr King advised that based on the SMRC experience it was advisable to put funds aside in case the unexpected happened rather than increase the gate fee when an unexpected event occurred. Therefore it was best to build a contingency amount into the gate fee, and for it to be monitored over the life of the RRF.

Cr Pule asked what would happen in the event a member Council withdrew which has the effect of reducing the amount of waste for processing and consequently the RRF operator suffered a loss. Ms Cave advised that under a DBOM if a member Council withdraws from the project leading to a reduction in total waste available to be delivered to the RRF that is a risk that rests with the EMRC. Risks associated with the supply of waste are seen to be more manageable with the EMRC than the contractor and so the EMRC will usually be required to guarantee waste supply under the contract. It would therefore be up to the EMRC to find another supply or pay a higher cost per tonne for the waste that is processed. The DBOM allows for a degree more flexibility than a BOO for the EMRC to terminate or vary the contract to manage on inability to deliver the required tonnage as the owner of the RRF. In comparison, under a BOO, the Contractor owns the RRF and the EMRC must continue to deliver waste at the specified tonnage for the duration of the contract or pay the contractor an equivalent sum.

Cr Färdig stated that on a practical level he felt that a DBOM would be the most practical particularly if a staged approach was adopted. This would be of more financial benefit to the EMRC and the size of plant could be increased later if needed. Cr Färdig asked if a staged approach was being taken into account. Mr King advised that one of Cardno's tasks was to consider staging and it would be brought back to Council for consideration.

Mr King confirmed Cr Godfrey's query that there was more risk to a contractor and less for the EMRC under a BOO model, but there would be a premium charged by the contractor to take on that risk. In terms of ownership risks, including financing risk which are the major differences between the DBOM and BOO contract models, the market will be charging a premium for the contractor to own and take the risk of the facility. This study has shown that the size of the premium to be paid for the contractor owning the facility is likely to be higher than the benefits.

In response to Cr Pule's query on whether the risk assessments under the various contract models took into account the risk of the operator defaulting, Mr King advised that the risk matrix had been developed based on earlier work undertaken by Worley Parsons and had been developed in terms of the D&C model.



Item 9.3 continued

The CEO referred to comments made by Ms Davidov that one of the advantages of a DBOM was that if an operator failed they could bring in another operator. Mr King confirmed that if EMRC owned the facility and the land it would be easier to terminate the contractor under a DBOM contract than with a BOO contract.

The Manager Project Development sought confirmation from Ms Cave that in the event of operator default that it had been considered in the DBOM term sheet. Ms Cave advised that under a DBOM if an operator defaults due to poor performance or insolvency there would be a period of identifying the default, providing an opportunity to rectify the default and period of discussion with the operator. Should the course of action fail to remedy the default, the EMRC would have the ability to terminate the contract and bring in another operator. Ms Cave advised that with a BOO the operator's banks will assume control of the event and have the choice of operator to put in.

Cr Godfrey referred to Mr Kings' earlier comments regarding the NPV values being an economic or financial assessment rather than an accounting assessment and asked what the rate of return was. Mr King advised that the internal rate of return for the D&C and DBOM options (EMRC owned) was zero and what was shown was a break-even cost per tonne to use the facility. This cost would be used as a basis for setting a member Council gate fee and would need to allow for a margin for future costs. If a BOO was adopted and the contractor financed the capital cost of the project, then the shareholders of the contracting company would seek an internal rate of return on the capital that it invested in the project. Mr King advised that since the global financial crisis (GFC) the amount of equity that the operator is required to contribute to the capital cost of the project has increased to approximately 25% of the total funding and the return on equity for the contractor is approximately 12.5%. These rates have been assumed in the modelling for the BOO option.

RRC RECOMMENDATION(S)

MOVED CR FÄRDIG

SECONDED CR RADFORD

That:

1. Council confirms the Design & Construct and the Design Build Operate and Maintain contract models are preferred to the Build Own Operate model at this stage of the project.
2. Council notes a final decision on the preferred contract model will be made prior to preparation of the Resource Recovery Facility tender documentation.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR GODFREY

SECONDED CR ZANNINO

THAT:

1. COUNCIL CONFIRMS THE DESIGN & CONSTRUCT AND THE DESIGN BUILD OPERATE AND MAINTAIN CONTRACT MODELS ARE PREFERRED TO THE BUILD OWN OPERATE MODEL AT THIS STAGE OF THE PROJECT.
2. COUNCIL NOTES A FINAL DECISION ON THE PREFERRED CONTRACT MODEL WILL BE MADE PRIOR TO PREPARATION OF THE RESOURCE RECOVERY FACILITY TENDER DOCUMENTATION.

CARRIED UNANIMOUSLY



EMRC Resource Recovery Facility Project – Ownership and Operation Options

**Prepared for Eastern Metropolitan Regional Council
May 2011**

Project Number V9090

EMRC Resource Recovery Facility Project – Ownership and Operation Options

Prepared for Eastern Metropolitan Regional Council



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Executive Summary

The Eastern Metropolitan Regional Council (EMRC) is currently undertaking a project to establish a Resource Recovery Facility (RRF) to process household waste from Perth's Eastern Region and to recover usable resources. In May 2010 the Council considered a report which addressed a number of key planning decisions associated with the project. Among these was the form of the contract that would be used in procuring the facility which included the question of who would own the facility.

A comprehensive report on the various forms of contract that are available to the EMRC (the *Planning Decision Summary Report*) was presented to Council. Of the various models presented, two were seen to be preferred. The choice between the two was seen to be determined by the issue of whether or not the EMRC would own and operate the RRF. These two options were the Build Own and Operate (BOO) model and the Design and Construct (D&C) model.

At its meeting in May 2010 the Council did not adopt a firm position on this question, but instead, stated that the D&C option was its preferred position at this stage of the project, based in part on that option being considered to provide better value for money. The final decision was deferred until closer to the time for calling tenders for the facility.

At its meeting on April 2011, the Resource Recovery Committee requested that the Design Build Operate and Maintain (DBOM) contract model be assessed together with the BOO and D&C contract models and reported on in the June 2011 round of meetings.

In determining the preferred project structure, the following project characteristics need to be noted:

- There are a number of key elements, or work packages of the project that are diverse and will need to be undertaken by different parties, as described in **Section 2** of this report;
- The interface between these packages is likely to be complex to manage in some instances. Examples are the interfaces between the provision of the technology, design and documentation and construction as well as the interface between operation and maintenance of the RRF and the marketing and sale of the products (particularly soil conditioners);
- The number of packages adds to the complexity of managing the interfaces; and
- Some of the packages require specialist skills and knowledge that are likely to be provided by specialist organisations.

There are a number of risks that reside with the owner of most assets, such as the RRF. These include the provision of capital funding, risks associated with unexpected events that are not the responsibility of either the owner or the Operator, insurance and dealing with the asset. Some of these risks can be partially transferred to the Operator of the facility, but most reside with the owner.

The current financial market has removed some of the advantages that existed for private ownership of these types of assets, through higher costs of financing and the introduction of significant refinancing costs.

If the EMRC was to own the RRF it would have greater flexibility to deal with it, for example by introducing upgrades such as improving the technology or increasing its capacity.

The effects on the Member Council's credit rating and ability to borrow due to guarantees from those Councils for the financial obligations of the EMRC under a BOO contract is now the same as for the

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guarantees that would have to be provided for direct borrowing by the EMRC (such as under a D&C or a DBOM contract). This has removed an important point of differentiation between contractor ownership of the RRF (BOO contracts) and EMRC ownership (D&C or DBOM contracts).

This report has found that the preferred option relating to ownership is for the EMRC to finance and own the RRF and to have the design and construction undertaken by a competent contractor.

There are a number of risks associated with the operation and maintenance of the RRF that would reside predominantly with the Operator, be it the EMRC or a contractor. These include defects, whole of life operating costs, cost overruns, industrial relations and escalation risks.

The Operator of the RRF is normally responsible for defects that occur after the defects liability period has expired unless they can be proven to be a defect in the construction of the RRF or the RRF is not fit for the purpose for which it was constructed.

There are therefore advantages in the contractor being responsible for the design/construction of the RRF as well as its operation/maintenance. This eliminates a number of important project interfaces that, in themselves introduce risks to the project.

As noted in **Section 7.1** of this report, a competent and experienced Operator should also be better placed to operate and maintain the RRF than the EMRC due to their access to more experienced resources and their greater experience in undertaking these types of projects.

This report has found that the preferred option relating to operation and maintenance of the RRF is for the EMRC to contract this responsibility to the same contractor that undertakes the design and construction of the RRF.

The contract model that provides for the EMRC to own the RRF and then to contract out the design, construction, operation and maintenance of the RRF, as concluded above, is the DBOM model. This model provides for one party (the contractor) to be responsible for the most of the whole of life risks of the RRF, and so provides the EMRC and its Member Councils with greater certainty of future costs. It also minimises the interface risks borne by the EMRC and places them with the contractor, who is better placed to manage those risks. The contractor's greater ability to manage the project risks should ensure that the whole of life costs are also minimised.

A preliminary financial analysis of the DBOM contract model shows that it is comparable to the D&C option both of which are more favourable than the BOO option. This is attributed to the reduction in the financing cost for the DBOM option and whilst there is a premium paid for the operations and maintenance, the risk cost is lower.

It is recommended that the EMRC resolves to adopt the Design, Build Operate and Maintain contract model for the RR Project and that the term of the operating period of the contract be 10 years, with the option to extend the contract for a period or periods up to the end of the economic life of the RRF.

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Appendix A Term Sheets for Contract Models

1 Background

The Eastern Metropolitan Regional Council (EMRC) is currently undertaking a project to establish a Resource Recovery Facility (RRF) to process household waste from Perth's Eastern Region and to recover usable resources. In May 2010 the Council considered a report which addressed a number of key planning decisions associated with the project. Among these was the form of contract that would be used in procuring the facility which included the question of who would own the facility.

A comprehensive report on the various forms of contract that are available to the EMRC (the *Planning Decision Summary Report*) was presented to Council. Of the various models presented, two were seen to be preferred. The choice between the two was seen to be determined by the issue of whether or not the EMRC would own the RRF. These two options were the Build Own and Operate (BOO) model and the Design and Construct (D&C) model.

The BOO model is characterised by the contractor owning, funding, designing, building, operating and maintaining the RRF. The EMRC would purchase the service of resource recovery and would pay a fee to the contractor for that service. The fee would incorporate the cost of financing, maintaining and operating the facility. The term of the contract would approximately equate to the economic life of the RRF (approximately 20 years). The EMRC would structure the contract so that it provided the site for the facility to the contractor under a lease agreement and the RRF would only process waste that was provided by or through the EMRC.

The D&C model is characterised by the EMRC owning the RRF, paying for its capital cost as it is built and then assuming responsibility for the operation and maintenance of the facility after an initial operating period. During the initial operating period the contractor will be obliged to demonstrate that the RRF performs to required standards prior to operating responsibility being transferred to the EMRC. It is expected that this will take approximately 2 years. The contractor will also be required to recruit and train staff to operate the RRF and to transfer the staff to the EMRC when operating responsibility transfers. Technical support will be provided to the EMRC by the technology provider under a licence agreement. In some cases the support would be provided through the D&C contractor if it holds the Australian licensing rights for the technology.

More details of the BOO and D&C contract models are contained in **Section 4**.

At its meeting in May 2010 the Council did not adopt a final position on the contract model issue, but instead, stated that the D&C option was its preferred position at this stage of the project. The final decision was deferred until closer to the time for calling tenders for the facility.

The D&C option was adopted as the preferred option on the basis of it offering the best value for money for the following reasons:

- The GFC has impacted on the attractiveness of BOO contracts for project at this stage – this mostly relates to the private financing and ownership of the facility.
- Cost of private financing has increased due to more risk aversion in the finance market – higher set up costs and interest rates.
- Lack of long term financing for private infrastructure investments now – banks lending up to 5 years and then requiring refinancing. Introduces a significant refinancing risk.
- BOO is a more complicated contract structure.
- D&C has greater flexibility to introduce changes to the design and operation of the RRF during its life
- Consideration of the operability and complexity of the different technology options and information gained from visits to acceptable tenderer reference facilities.

These issues are discussed in more details in the following sections.

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Acceptable tenderer feedback on contract models from the EOI process was that two of the seven acceptable tenderers preferred only the BOO contract model and two others preferred a BOO but would consider other models. Since the May 2010 Council resolution, some of these tenderers have again raised the issue of the contract model and suggested that the EMRC should consider adopting an alternative contract option for the RRF.

The EMRC has also discussed the ownership model with Ms Robin Davidov of Northeast Maryland Waste Disposal Authority (NMWDA) following her visit to Perth in April 2010 with Professor Themelis. Ms Davidov advised that their contract model was for the Authority to own the facility and to contract out the operation and maintenance. They refer to this as full service, which means that the selected vendor is responsible for the design, permitting, construction and operations for 20 years. There are typically two five year extensions, but only at the Authority's option (this is due to State law). In Ms Davidov's experience this results in more efficient and better operations, but the trade off is a higher capital cost because the vendor is taking the risk on the cost of construction. By getting competitive proposals and spending a lot of effort negotiating, they feel that they get a competitive price. Their other reason for adopting a full service model is that the vendor will not take shortcuts on construction if it is responsible for operations over a long term.

One way they suggest to reduce the project cost is to share the construction cost risk. Due to the uncertainty with construction costs in the U.S. (labour and materials), they fix the construction price on the selection date, and then allow the cost to increase or decrease by a construction cost/labour cost index formula.

So the contract model being assessed in this report would involve the EMRC owning the facility, as per the D&C option, but for the contractor to operate and maintain it for an extended period, up to the end of its economic life. The term of the contract would be in the range of 10 - 20 years. This option is known as the Design Build Operate and Maintain (DBOM) option. The RRC has requested that this alternative option to the BOO and D&C contract models be assessed and reported on in the June 2011 round of meetings.

Most of the concerns with the BOO (which led to the D&C option being preferred) relate to the private financing and ownership of the RRF and the whole of life costs, rather than private operation and maintenance. The DBOM option retains EMRC ownership of the RRF and therefore over comes most of the concerns with the BOO option, while having the whole of life responsibility for the RRF with the one party – the contractor.

Based on the initial assessment undertaken for the *Planning Decision Summary Report* (September 2009) it is desirable for the ownership of the RRF to be considered separately from the responsibility for operation and maintenance. This is done in this assessment of the BOO, DBOM and D&C contract options.

This report readdresses and updates the issues associated with the form of tender for procuring the RRF and recommends that the Council adopts a final position on the contract model. It addresses the issue of ownership separate to the issue of operation/maintenance.

2 Key Tasks in the RRF Project

In the context of considering the form of the contract for the EMRC RRF project, there is a number of key tasks of the project that may be undertaken by different parties. These are as follows:

Provision of a Site

A site is required for the facility that is suitable for use for the RRF. Among the site requirements, it will need to have appropriate land use classification (zoning) for this purpose and infrastructure such as road access and suitable utility services.

Environmental Approval

The RRF will be a Prescribed Premises under the *Environmental Protection Act 1986* ('the Act') and will need to be regulated under Part V of the Act by the Department of Environment and Conservation during construction and operation. The Environmental Protection Authority has determined that the required level of assessment needed to approve its development is a Public Environmental Review under Part IV of the Act.

Financing

The development of the RRF is expected to cost up to \$100M. Funding will need to be arranged by the EMRC, either from the Participating Councils, direct borrowing from a financial institution or by the contractor, through a Public Private Partnership. Reserve funds held by the EMRC are expected to be used to contribute towards the capital cost of the project.

Provision of the waste treatment technology

The core technology for the facility would normally be proprietary technology that has been successfully used for other similar facilities and which is provided to this project under a technology licence agreement. The technology provider would normally be responsible for the process design of the facility and is then involved in the development of the basic and detailed engineering design. They would also be likely to be involved in any Hazop analysis, development of operating manuals, operator training and the facility's commissioning.

Design and documentation

The design development and detailed design of all aspects of the facility would need to be undertaken, incorporating the process design requirements of the technology licensor. The design would normally be undertaken by an experienced design team and may involve one or more specialist teams or an engineering contractor in liaison with the technology licensor. The specialist teams may be needed to design particular components of the facility's mechanical equipment, including the odour management system and major processing vessels.

Construction

A main contractor would undertake the construction of the facility. There may be a need to have a specialist sub contractor involved in the fabrication and installation of key elements of the facility such as digesters or other vessels.

Commissioning

Following construction, it is necessary to undertake commissioning of the facility to ensure that it performs in accordance with the design and performance guarantees (e.g. kWh/tonne waste, volume biogas/tonne waste). 'Dry' commissioning is normally undertaken by the construction contractor to ensure that the machinery works as designed. 'Wet' commissioning involves processing waste through the facility and occurs after 'Dry' commissioning has been successful. 'Wet' commissioning is normally undertaken by the future Operator of the facility (usually in conjunction with or under the supervision of the technology licensor representatives) and leads into the commencement of full operation. It is needed to demonstrate that the facility is able to meet the specified performance standards during full operation.

Operation and Maintenance

The operation of the RRF throughout its economic life will need to be undertaken in compliance with DEC licence conditions, in a sensitive political environment and in a cost effective manner. A key objective of the facility will be to reduce waste to landfill and produce or generate products suitable for sale. The products are likely to include recyclables, compost, electricity and potentially, heat.

The facility will also need to be maintained throughout its economic life to enable it to perform reliably, safely and meet design and operational requirements.

Supply and Delivery of Waste

Waste from the member Councils will be delivered to the RRF for treatment. It will be necessary to ensure that there is certainty with the delivery of waste so that the RRF can operate continuously and economically. The delivery of the waste will also need to comply with agreed operational protocols.

Marketing and Sale of Products

Products generated from the RRF will need to meet market requirements. These products will need to be marketed and sold. Revenue from the sales is likely to form an important part of the project cash flow and economic viability. Close liaison will need to be maintained between the RRF Operator and the marketing and sales team, to ensure that sales contract commitments can be met in terms of quality, quantity and timeliness of delivery. This is particularly important for compost, and to a lesser degree, recyclables.

3 Allocation of Responsibility for Key Tasks

In determining the preferred project structure, the following project characteristics need to be noted:

- There are a number of key tasks of the project that are diverse and will need to be undertaken by different parties, as described in **Section 2**;
- The interface between these tasks is likely to be complex to manage in some instances. Examples are the interfaces between the provision of the technology, design and documentation and construction as well as the interface between operation and maintenance of the RRF and the marketing and sale of the products; and
- The number of tasks adds to the complexity of managing the interfaces.

Table 3-1: Preferred Organisation to Manage Project Work Packages

below, identifies the Key Tasks of the Project and whether the EMRC or a contractor is better able to manage each of these work packages. This is determined by their ability to manage the risks associated with the packages in the most cost effective manner.

Table 3-1: Preferred Organisation to Manage Project Work Packages

Work Package	Preferred Responsible Organisation		Comment
	EMRC	Contractor	
1. Provision of Site	✓		Political implications and Red Hill is available.
2. Environmental Approval	✓		Environmental conditions can be included in the contract if determined by the EMRC, prior to contract award.
3. Financing	✓		The market conditions for financing projects of this scale have changed significantly since the global financial crisis, making private financing less attractive.
4. Provision of Waste Treatment technology		✓	Highly specialised requirement. EMRC does not have access to its own suitable technology.
5. Design and Documentation		✓	EMRC does not have in house capability.
6. Construction		✓	EMRC does not have in house capability.
7. Commissioning		✓	EMRC does not have in house capability.
8. Operation and Maintenance	✓	✓	Specialised requirements. EMRC does not currently have all the necessary in house skills. May be able to develop the skills over time through recruitment and training (as provided for in the D&C contract)

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9. Supply and Delivery of Waste	✓		EMRC has access to the waste from the Member Councils.
10. Marketing and Sale of Products	✓	✓	Specialised requirements. EMRC has in house skill with limited capacity. Will be able to develop additional capacity over time.
11. Disposal of Residual Waste	✓		EMRC has the facilities (Red Hill Waste Management Facility) and the expertise to undertake this task.

Financing of the facility is a key component of ownership of the facility and **Table 3-1: Preferred Organisation to Manage Project Work Packages**

shows that is now best undertaken by the EMRC rather than the contractor. The provision of the site, environmental approvals, the supply of waste material and disposal of residual waste would also be best undertaken by the EMRC.

A large portion of the engineering risks of the project are addressed during the design, construction, commissioning and Initial Operating Periods of the project. **Table 3-1** shows that the contractor is better able to undertake these project elements than the EMRC. There are two components to this assessment. Firstly a competent contractor would be better able to manage each of these risks due to their skills and experience in undertaking these tasks on similar projects. The EMRC does not have the skills or experience in undertaking these tasks. Also, there is a strong case for one contractor having responsibility for these elements of the project due to the complex nature of the interfaces between the elements. If, for example, a problem arose with the performance of the RRF, then there is a high risk that a dispute would occur as to whether the cause was a design or construction defect, or if it was an operational failure. If one party was responsible for all of these phases of the project, then there would not be any grounds for a dispute over responsibility for a defect if it was to occur. So from the Planning Decisions Report, the D&C risk mitigation strategy was to employ an Owners Engineer amongst other things to manage the interfaces and ensure facility is fit for purpose.

If the EMRC chose to operate the RRF, then it should do so after the facility has been successfully commissioned and has been operating for a period (approximately 2 years) to demonstrate that it can meet the required performance standards. Following this initial period, the operating risks should have diminished significantly. However, the whole of life maintenance risks will not necessarily have diminished as most of the major refurbishment tasks will be required after this initial period. There is a complex contractual interface between operating and maintaining the facility. Disputes over responsibility for deficiencies in performance are likely to arise if these elements are undertaken by different parties. Therefore, if the EMRC was to take over the operation of the RRF after an Initial Operating Period, it should also take over responsibility for maintenance. This project structure could be achieved using a D&C contract, with the contractor also being responsible for operating the RRF for an initial period of approximately two years.

While the contractor is identified as being the party best positioned to operate the RRF (particularly in the early stages), either party could be responsible for marketing and sales of products. There is a strong relationship between these elements of the project, which favours having the one party (either the EMRC or the main contractor) responsible for them all. The EMRC currently has a capability to market products, such as mulch and compost that it produces at its Red Hill facility. This capability could be extended to market the products from the RRF, particularly if the EMRC chose to operate the RRF in a similar manner to that adopted by the Southern Metropolitan Regional Council (SMRC).

4 Summary of the Contract Models Under Consideration

As noted in **Section 1**, the issue of ownership of the RRF will be assessed separately to that of operation and maintenance. Prior to doing this assessment it is necessary to provide details of the contract options that are being considered. Other contract models were assessed in the *Planning Decision Summary Report* presented to Council in May 2010, but were found not to be appropriate for this project. Therefore they are not being discussed again in this report. The following discussion will be limited to consideration of the BOO, D&C and DBOM options.

The D&C and the BOO differ in two respects; which party owns the RRF and which party operates the RRF. The DBOM combines both, with EMRC owning the RRF, and the Contractor operating the RRF for an extended operating period (usually no less than 10 years).

4.1 Design and Construct (D&C)

In the case of the D&C, ownership and operation of the RRF is with the EMRC. Therefore, the EMRC will contract with the successful tenderer (the main contractor - who in turn will subcontract with a nominated partner) under this model and will pay the main contractor for the construction of the RRF. The EMRC is responsible for obtaining the necessary funds to construct the RRF.

Following practical completion of the RRF, the contractor's involvement is as follows:

- until the expiry of the defects liability period, correction of all defects that arise in respect of the construction of the RRF;
- until the expiry of the initial performance period (up to 2 years), all operation and maintenance of the RRF, together with training provided to the EMRC or its selected Operation and Maintenance (O&M) contractor; and
- if extended warranties are obtained (usually in respect of particular aspects of the technology), correction of a failure of the warranted technology during the warranty period, provided that the failure is not caused by the inappropriate operation and maintenance of the RRF by the EMRC.

4.2 Build Own and Operate (BOO)

In the case of the BOO, ownership and operation is with the private operator. Therefore, the EMRC will most likely contract with the successful tenderer and Operator), who will be responsible for subcontracting and managing the risk of a builder for the construction phase.

The BOO contract will specify the outputs that the RRF is required to produce, rather than how it is to be constructed. The Operator is then responsible for both building and operating the RRF to achieve those outputs. The EMRC's payment obligations only commence once the RRF is operational and waste is being processed. The service fee is calculated to cover the Operator's fixed costs (operational and funding) and its variable operation cost.

The Operator's involvement in the RRF continues until the expiry of the operation term which is usually aligned to the design life of the RRF. This is also usually a similar duration as the debt repayment obligations of the Operator to repay the amount borrowed to construct the RRF. The shorter the operating period, the larger the fixed component of the service payment, as there is less period of time over which to amortise the repayment of the debt.

4.3 Design, Build, Operate and Maintain (DBOM)

In the case of a DBOM, ownership of the RRF is with the EMRC but operation is with the Operator. Therefore, as with the BOO, the EMRC will contract with the main contractor, who is most likely to be an Operator or technology provider who will be responsible for subcontracting and managing the risk of a builder for the construction phase.

However, the DBOM differs from the BOO in that the EMRC will be required to obtain its own funding for the RRF. Under a DBOM, the EMRC will have two significant payment streams to make to the Operator:

- construction payments during the construction phase, usually by way of milestone and progress payments representing the capital cost of the RRF. These will be used by the Operator to pay the building subcontractor and to compensate the Operator for its own management costs; and
- service payments during the operation phase, usually by way of regular monthly payments linked to the amount of waste processed by the RRF.

The service payment is less than under a BOO as it does not have to cover the Operator's funding repayments for the construction cost of the RRF. However, the EMRC will have its own funding repayments to make (such as capital and interest repayments to make for any borrowings), depending on the source of its funds used to pay the Operator for the construction of the RRF.

As with the BOO, the Operator's involvement in the RRF continues until the expiry of the operation term. However, unlike the BOO, the operating period under a DBOM can be less than under a BOO as it does not have to match the duration of the debt repayments. This is because the debt repayments are made by the EMRC direct to its financier, rather than by the Operator to its financier.

Provisions could be included in the contract to allow the EMRC to take over responsibility for the operating and maintenance of the RRF prior to the end of the contract term if the facility has been proven to operate reliably and with minimal risk. This would be achieved by a break clause in the contract which would allow termination by the EMRC. However, this is likely to involve the payment of a break fee by the EMRC to the Contractor. Alternatively, or also, the EMRC could award a contract term of 10 years for the operation and maintenance phase of the project, with the option to extend the contract for a period or periods up to the end of the economic life of the RRF. This would provide some flexibility for the EMRC to take over operating and maintenance responsibilities without the need to pay break fees.

Term sheets for each contract model are contained in **Appendix A**.

5 Ownership of the RRF

Both the D&C and the DBOM have the ownership risk with the EMRC. Under the BOO, the ownership risk is with the Operator.

The ownership risks are the same as the risks of owning any asset. An outline of some of the risks of ownership and a comparison of the ownership options (EMRC owned or contractor owned) are as follows.

5.1 Capital funding

The owner must find sufficient funds to finance the RRF. If debt financing is used, the owner is responsible for repaying the debt over the term of the debt. If the EMRC own the RRF, they will make regular loan repayments in addition to paying for the operation and maintenance. If the RRF is owned by the contractor, they will pay the loan from their fee received from the EMRC.

Under a BOO, the term of the debt repayment will be closely linked to the operation period. The Operator takes the risk of not being able to make its repayments when due, but the EMRC is obliged to pay the fixed component of the service fee for the duration of the operation period in order that the Operator is able to repay its debt when due. The EMRC is only excused from its obligation to pay the fixed component of the service fee to the Operator in limited circumstances. The issue usually arises if the Operator defaults. The EMRC is usually required to continue paying for a period of time whilst waste is not being processed, in order to give the Operator and the bank opportunity to remedy. The duration of the payment is usually the subject of negotiation and can vary from two months to the full duration of the remedy period (which can be up to two years). Following the remedy period, the BOO can be terminated and the payment obligations of the EMRC cease. The Operator is then responsible for repaying the remaining debt.

Under a D&C and a DBOM, the EMRC is responsible for repaying the debt to its financier. The obligation to repay the debt is not linked to the completion or operation of the RRF.

Since the Global Financial Crisis the cost of borrowing for a BOO has increased through higher interest rates and the requirement of the borrower to put in a higher proportion of equity (which has a higher cost to the project than debt). Also the availability for 20 year bank loans has disappeared as the private finance industry has become more risk averse.

Banks are now offering only 5 year loans which introduce significant refinancing risks into the project. The project is too small to be funded from bonds.

WA Treasury Corporation (WATC) still offers 20-year loans to local governments, including the EMRC (with guarantees from Member Councils). This option is available provided the WATC is able to attract the investors for those facilities. WATC only lends funds to government organisations including local governments. It is therefore only able to provide funding for D&C or DBOM contracts and not for BOO contracts.

These factors mean that the cost of private financing for projects, such as the RRF project, has increased to a greater degree than is currently available to local governments. This tends to improve the financial attractiveness of the D&C and DBOM contract models over the BOO contract model.

5.2 Unexpected events

Unexpected events which occur through no fault of either party can arise in both phases of the project. During construction, the unexpected event may delay the project and/or increase capital cost. During operation, the event may suspend operations and/or increase operating costs. Note that unexpected events are different from cost overruns, which are discussed in Section 6.3 below. Unexpected events are events such as tsunamis, unexplained power outages and explosions which are not due to the fault of either party.

The risk of unexpected events, both time and cost, is usually borne by the owner who would have appropriate insurance cover to cover most of these contingencies. However, some extreme events will be uninsurable. With reference to the specific contract models under consideration:

- Under the D&C, an unexpected event during the construction phase could lead to a variation claim being made for increased time and costs. The EMRC is obliged to bear the risk of both.

During the operation phase, as the EMRC is operating the RRF, the EMRC also bears the risk of unexpected events.

- Under the BOO, the risk of an unexpected event is shared. During the construction phase, the Operator would be entitled to claim an extension of time if it is delayed in performing its construction obligations. In addition, the EMRC may need to bear the risk of any adjustments to be made to the amount of debt required to be borrowed (which is usually the subject of negotiation), but the Operator will bear any increase in its own costs.

During the operation phase, the Operator is excused from processing waste, if the unexpected event prevents it from doing so. However, the EMRC must continue to pay the proportion of the service fee that is passed through to the financier to repay debt. The EMRC is entitled to terminate the contract if the unexpected event is prolonged, but must pay the outstanding debt amount if it does so. The Operator is not entitled to any other payment and bears all of its own costs.

- Under the DBOM, an unexpected event during the construction phase is treated in the same way as the D&C – that is, the Operator is entitled to make a variation claim to cover increased costs and delays. The EMRC bears the risk of both.

During the operation phase, the Operator is excused from performance to the extent that it cannot perform and the starting position is that it may not recover any costs from the EMRC. Generally, the costs lie where they fall. Sometimes the party in the position of EMRC will agree to bear the risk of some of the Operator's fixed costs during a period of non-performance arising out of an unexpected event, which is the subject of negotiation. If the event is prolonged, the EMRC is entitled to terminate the contract and the Operator loses the benefit of the remainder of the term.

5.3 Insurance

The party with the insurable interest is responsible for obtaining insurance. Therefore, the party who owns the RRF is usually responsible for insuring it.

Under a D&C, ownership of the RRF does not pass to the EMRC until there is a completed asset. Until that time, the builder is required to have contract works insurance for the partially completed RRF. The same applies for the DBOM. Once the operations phase commences, the EMRC will be responsible for insuring the RRF.

Under the BOO, the Operator is responsible for insuring the RRF at all times.

5.4 Dealing with the asset

This refers to the ability to sell, mortgage or otherwise deal with the asset, including upgrading the asset, improving technology or increasing capacity.

As the owner of the asset under the D&C and DBOM, the EMRC is entitled to deal with the asset in any way and is responsible for any costs associated with its actions. There are additional considerations under a DBOM. If the EMRC sells the asset and terminates the service agreement early, it may be required to pay the Operator compensation. In addition, before improving any technology or increasing capacity, the EMRC may need to vary the Operator's contract to operate the modified RRF and possibly the technology licence to (maintain warranties if they still existed at this time

Under a BOO, the Operator is the owner of the asset but is not entitled to sell or grant a mortgage over the asset without the EMRC's consent. The EMRC has no right to sell or encumber the asset at all. The EMRC can request an upgrade or increase in capacity of the RRF, but the Operator is not obliged to consent. Similarly, the Operator can upgrade the RRF, as long as it continues to meet the performance requirements of the contract. The Operator can increase the capacity of the RRF, but would need the EMRC's consent that the EMRC will deliver increased capacity or that the Operator can obtain additional tonnes from a third party.

5.5 Impact on Member Councils

Financing of an EMRC owned RRF or an Operator owned RRF will both require the Member Councils to provide guarantees on behalf of the EMRC.

If the EMRC was to own the RRF (with either a D&C or a DBOM contract model) then the Member Councils would each need to provide guarantees for a portion of money borrowed by the EMRC for the project. The proportions of the loan guaranteed by each Member Council is likely to be based on the relative populations of the Member Councils. The guarantee would require the guarantors (the Member Councils) to pay the financier (such as the WATC) their guaranteed portions of the loan in the event that the EMRC was in default of its loan conditions. As these obligations are direct guarantees for the loan, they would be treated as liabilities of the Member Councils. Any call on the guarantee of a Member Council is likely to be for the full amount of the outstanding loan that it has guaranteed. The amount guaranteed by a Member Council would be considered on an equal footing as a debt of the Council when determining its credit rating and its ability to borrow additional funds.

If the Operator was to own the RRF (with a BOO contract model) then the Member Councils would need to guarantee the EMRC's financial obligations under its contract with the RRF Operator. Again each Member Council would be responsible for guaranteeing a portion of the EMRC's financial obligations, based on their relative populations. These guarantees are not direct guarantees of the Operator's loan to finance the facility, but a guarantee of the ongoing financial obligations of the EMRC. The financial obligations of the EMRC relate to the payment of monthly invoices for the processing of waste, or other liabilities under the contract. The EMRC would only be liable to pay out the full amount of the outstanding loan if it was in default of its obligations under the RRF agreement or in events when it is obliged to share the liability of the capital costs of the RRF with the Operator. Default by the EMRC is likely to be limited substantially to the non payment of moneys due to the Operator. Under these circumstances, the Guarantors would be able to pay any outstanding amount to avoid the contract being terminated and the EMRC (and hence the guarantors) being liable to payout all outstanding loans and equity to the Operator. An event in which the EMRC would not be in default, but would be liable to contribute to the cost of the outstanding loans would be uninsurable

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Unexpected Events (refer to **Section 5.2**). These are extreme events of low probability, in which the EMRC would be liable to pay all outstanding debt, even if it owned the facility.

Prior to the Global Financial Crisis the liability associated with the guarantees provided by the Member Councils under a BOO contract were considered to be of lower risk compared to direct guarantees of a loan. They were taken to be contingent liabilities and were not considered by most financiers when assessing the Member Council's credit rating and ability to borrow. The effects of guarantees from Member Councils for the capital financing of BOO contracts is now the same as the guarantees that would have to be provided under a D&C or a DBOM contract. This has removed an important point of differentiation between BOO contracts and D&C and DBOM contracts.

5.6 Comparison of the Ownership Options

The following **Table 5-1** summarises the major differences between EMRC owning the RRF and the Operator owning it.

Table 5-1: Comparison of Ownership Options

Issue	Operator Owned (BOO)	EMRC Owned (D&C or DBOM)
Capital cost	Operator– higher cost of capital and refinancing risk due to shorter terms of loan.	Council– lower interest rates and longer terms of loans
Unexpected events	Risks Shared	Council (some risk passes to Operator as Operator loses the benefit of the contract)
Insurance	Operator	D&C – Builder for construction phase and Council for operation phase) DBOM – Shared - either party may obtain
Third party liability	Operator Risk – provided not Council caused	Council Risk – provided not Operator-caused
Dealing with asset	Restricted	Not restricted
Effect on Member Councils' Ability to Borrow	Considered as a Liability	Considered as a Liability

Comparison of costs of contract model options

A preliminary financial analysis of the DBOM contract model shows that it is comparable to the D&C option both of which are more favourable than the BOO option. This is attributed to the reduction in the financing cost for the DBOM option and whilst there is a premium paid for the operations and maintenance, the risk cost is lower.

6 Operation and Maintenance of the RRF

With the contract models under consideration there are two options available to the EMRC for operating the RRF. The EMRC could assume the full responsibility for operating the RRF following the initial operating period during which the performance is demonstrated, through a D&C contract. Alternatively, the EMRC could assign operational responsibility to a private operator by combining the operating of the facility with the design and construction through either a BOO contract or a DBOM contract. The following sections comment on the risks that are associated with the operation of the RRF.

6.1 Defects

Under a D&C contract, if the performance of the RRF is defective and the defects liability period has expired (see section 4.1 above), the EMRC usually bears the risk of performance of the RRF. The exception is if the EMRC can prove that the defect was in the design or construction of the RRF and the RRF is not fit for the purpose for which it was constructed. However, it must also be shown that the defect did not arise as a result of the way in which the RRF has been operated or maintained. The EMRC would manage this risk by a number of means such as using an Owners Engineer, and employing appropriate staff training.

Under the DBOM and the BOO, the extended period of involvement of the Operator means that defective performance is the Operator's issue, whether the defect arose due to the construction or the operation of the RRF. An example of this is the performance issues that arose with the MRC RRF project when failures occurred in the large digesters. The responsibility for bearing the costs and determining if the failure resulted from a design or a construction flaw rests with the contractor, BioVision 2020 and not with the MRC.

This risk is also known as interface risk. If the same Operator is involved in construction and operation, it reduces the risk of transition from the construction phase to the operation phase, which is a high risk phase of the project. The Operator is responsible for ensuring that the transition is without incident.

6.2 Whole of life cost

Whole of life cost refers to the cost of construction and operation of the RRF, considered as a whole. Similar to defects, the builder or the Operator can be held responsible for the whole of life cost performance of the RRF for as long as the builder or Operator is involved in the project. Therefore, under a D&C, beyond the defects liability period, the only liability that is able to be passed from the EMRC is in respect of extended warranties that are obtained from the manufacturer of a particular component of the RRF. The warranty is limited to the performance of that component, rather than the whole of life cost of the construction and operation of the RRF as a whole. It is also obtained from the manufacturer of the component, rather than the builder and is subject to the EMRC complying with its maintenance obligations in respect of the component.

Whole of life warranties rely on both the manner of construction and the manner of operation and maintenance of the RRF. Under a DBOM, as the Operator is responsible for operating and maintaining the RRF as well as designing and constructing it, the Operator can be required to give a warranty as to the whole of life performance of the asset.

Under a BOO, the issue of whole of life cost does not arise, as the Operator is the owner of the asset and therefore bears the risk of it.

6.3 Cost overruns

Cost overruns occur in both the construction and operation phases. In this case, cost overruns are due to mismanagement or underestimated costs or an increase in input costs (such as the cost of steel increasing or labour costs), otherwise than due to an unexpected event described above in section 5.2.

Under the D&C, during the construction phase, the risk of cost overruns is with the builder. During the operation phase, it is with the EMRC as the Operator of the RRF.

Under both the BOO and the DBOM, the risk of cost overruns is always with the Operator. However, note that it is an area that is always the subject of negotiation as to what events leading to the cost overrun are risks borne by the Operator and what events are risks borne by the EMRC.

6.4 Industrial relations

The industrial relations risk during the operations phase of the facility's life is with whichever party is responsible for the workforce at the RRF. Industrial relations risk can arise in respect of shortages of resources, industrial unrest and safety (other than statutory liability which the EMRC, as principal, cannot contract out of).

Under the D&C model, the EMRC manages the operations workforce and therefore bears industrial relations risk (after the Initial Operating Period). Under the DBOM and the BOO, industrial relations risk is with the Operator.

6.5 Escalation risk

The EMRC can expect the input costs to escalate over the operations phase. Under the D&C, as the Operator of the RRF, the EMRC bears the actual risk of increased costs after it has assumed responsibility for operating and maintaining the facility.

Under the DBOM and the BOO, it is possible to negotiate the payment formula to obtain some sharing of the risk of escalation through the use of agreed indices. To the extent that an index increases less than actual cost, the risk of escalation is passed to the Operator and to the extent that an index increases more than actual cost, the risk of escalation is passed to the EMRC. Movement away from market is managed by periodic market resets, which can be capped so that the percentage increase or decrease is not disproportionately large. It is also possible to agree bands within which the Operator will take the risk of positive and negative escalation and for the EMRC to take the risk of escalation outside of those bands. All of these mechanisms are aimed at providing greater certainty around cost increases in line with escalation.

6.6 Comparison of the Operation and Maintenance Options

The following **Table 6-1** summarises the major differences between EMRC operating and maintaining the RRF and it being operated and maintained by a contractor.

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Table 6-1: Comparison of Operation and Maintenance Options

Issue	EMRC Operate and Maintain (D&C)	Contractor Operate and Maintain (DBOM and BOO)
Defects	Council	Operator
Operation	Council	Operator
Whole of life cost	Council	Operator
Industrial relations	Council/Contractor	Operator
Escalation	Council	Council, within boundaries, then Operator

7 Summary and Conclusions

The following are the key findings of this study of the ownership and operating / maintenance options for the RRF project.

7.1 Characteristics of the Project

In determining the preferred project structure, the following project characteristics need to be noted:

- There are a number of key elements, or work packages of the project that are diverse and will need to be undertaken by different parties, as described in **Section 2**;
- The interface between these packages is likely to be complex to manage in some instances. Examples are the interfaces between the provision of the technology, design and documentation and construction as well as the interface between operation and maintenance of the RRF and the marketing and sale of the products (particularly compost);
- The number of packages adds to the complexity of managing the interfaces; and
- Some of the packages require specialist skills and knowledge that are likely to be provided by specialist organisations.

Financing of the facility is a key component of ownership of the facility and is now (post GFC) best undertaken by the EMRC rather than the contractor.

A large portion of the engineering risks of the project are addressed during the design, construction, commissioning and Initial Operating Periods of the project. A competent and experienced contractor would be better able to undertake these project elements than the EMRC due to their skills and experience in managing the risks associated with these tasks on similar projects. Also, there is a strong case for one contractor having responsibility for all of these elements of the project due to the complex nature of the interfaces between the elements.

A competent and experienced Operator should also be better placed to operate and maintain the RRF than the EMRC. This would particularly be the case if the contractor was also the Operator of other facilities for other clients. This would provide a pool of experienced staff and expertise that could potentially be called upon as of required by the Contractor.

If the EMRC chose to operate the RRF, then it should do so after the facility has been successfully commissioned and has been operating for a period (approximately 2 years) to demonstrate that it can meet the required performance standards. Following this initial period, the operating risks should have diminished significantly. However, the whole of life maintenance risks will not necessarily have diminished as most of the major refurbishment tasks will be required after this initial period.

7.2 Ownership of the RRF

There are a number of risks that reside with the owner of most assets, such as the RRF. These include the provision of capital funding, risks associated with unexpected events that are not the responsibility of either the owner or the Operator, insurance and dealing with the asset. Some of these risks can be partially transferred to the Operator of the facility, but most reside with the owner.

The current financial market has removed some of the advantages that existed for private ownership of these types of assets, through higher costs of financing and the introduction of significant refinancing costs.

If the EMRC was to own the RRF it would have greater flexibility to deal with it, for example by introducing upgrades such as improving the technology or increasing its capacity.

The effects on the Member Council's credit rating and ability to borrow due to guarantees from those Councils for the financial obligations of the EMRC under a BOO contract is now the same as for the guarantees that would have to be provided for direct borrowing by the EMRC (such as under a D&C or a DBOM contract). This has removed an important point of differentiation between contractor ownership of the RRF (BOO contracts) and EMRC ownership (D&C or DBOM contracts).

This report has found that the preferred option relating to ownership is for the EMRC to finance and own the RRF and to have the design and construction undertaken by a competent contractor.

7.3 Operation and Maintenance of the RRF

There are a number of risks associated with the operation and maintenance of the RRF that would reside predominantly with the Operator, be it the EMRC or a contractor. These include defects, whole of life operating costs, cost overruns, industrial relations and escalation risks.

The Operator of the RRF is normally responsible for defects that occur after the defects liability period has expired unless they can be proven to be a defect in the construction of the RRF and the RRF is not fit for the purpose for which it was constructed. If the EMRC was to operate the RRF, then once it took on this responsibility, it would be difficult to attribute responsibility as between design/construction and operation/maintenance.

There are therefore advantages in the contractor being responsible for the design/construction of the RRF as well as its operation/maintenance. This eliminates a number of important project interfaces that, in themselves introduce risks to the project. The NMWDA experience is that the DBOM model leads to more efficient and better operations, but the trade off is a higher capital cost.

As noted in Section 7.1 above, a competent and experienced Operator should also be better placed to operate and maintain the RRF than the EMRC due to their access to more experienced resources and their greater experience in undertaking these types of projects. Under a D&C the EMRC experience would be gained from the training provided by the licensor and experience gained by working alongside the licensor/contractor during the initial operating period.

This report has found that the preferred option relating to operation and maintenance of the RRF is for the EMRC to contract this responsibility to the same contractor that undertakes the design and construction of the RRF.

7.4 Preferred Contract Model

The contract model that provides for the EMRC to own the RRF and then to contract out the design, construction, operation and maintenance of the RRF, as concluded above, is the DBOM model. This model provides for one party (the contractor) to be responsible for the most of the whole of life risks of the RRF, and so provides the EMRC and its Member Councils with greater certainty of future costs. It also minimises the interface risks borne by the EMRC and places them with the contractor, who is

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better placed to manage those risks. The contractor's greater ability to manage the project risks should ensure that the whole of life costs are also minimised.

This report has found that the preferred contract model for the EMRC RRF project is the Design, Build Operate and Maintain model.

8 Recommendation

It is recommended that the EMRC resolves to adopt the Design, Build Operate and Maintain contract model for the RRF Project and that the term of the operating period of the contract be 10 years, with the option to extend the contract for a period or periods up to the end of the economic life of the RRF.

Appendix A

Term Sheets for Contract Models

Term Sheet – Design, Build, Operate and Maintain Contract Model

Term Sheet – Design, Build, Operate and Maintain Contract Model

1 Introduction

1.1 Form of Contract

The Design, Build, Operate and Maintain Contract (**Contract**) to be entered into between the parties in respect of the design, construction, operation and maintenance of the waste processing facility (**RRF**) to be located at Red Hill, Lot 12, 1204 Toodyay Road, Red Hill, Western Australia¹ (**Project**) will comprise provisions which apply during:

- (a) the design and construction phase of the Project (**D&C Phase**) as set out in section 2.1 below, during which the Contractor will design and construct the RRF (by itself entering into a subcontract with a builder); and
- (b) the operation and maintenance phase of the Project (**O&M Phase**) as set out in section 2.2 below, during which the Contractor will operate and maintenance the RRF.

This term sheet is a summary of the key contractual terms of the Contract and is not a complete summary of all of the contractual terms of the Contract.

1.2 Parties

The Contract will be entered into by the following parties:

- (a) the Eastern Metropolitan Regional Council (**Principal**); and
- (b) the successful proponent for the Project (**Contractor**).

It is the Principal's preference that the Contractor that enters into the Contract is a company of substance. However, this is not mandated by the Request for Proposals. If the Contractor is a special purpose vehicle, certain additional requirements will be imposed on the Contractor as set out in this term sheet below.

2 Contractual Terms

The following is a list of the key contractual terms of the Contract.

2.1 D&C Phase

The following key contractual terms will apply during the D&C Phase of the Project.

¹ The Principal's preferred site is Red Hill, Lot 12, 1204 Toodyay Road, Red Hill, Western Australia.

No.	Section	Contractual term
1	Conditions precedent	<p>The Contractor must satisfy the following conditions precedent prior to the Contract coming into operation:</p> <ul style="list-style-type: none"> • evidence that all insurance required during the D&C Phase are in place; • evidence that all authorisations necessary for the construction of the RRF have been obtained (except for the environmental approval required under Part IV of the <i>Environmental Protection Act 1986 (WA)</i> and all zoning approvals for the Project, which will be obtained by the Principal); • execution of the project agreements; • (if the Contractor is a special purpose vehicle) evidence that the company structure of the Contractor is in a form and substance satisfactory to the Principal; • evidence that key subcontracts (including the building subcontract to be entered into by the Contractor) have been executed and are in full force and effect and conform to the terms sheets provided by the Contractor with the proposal; and • evidence that all arrangements in respect of intellectual property for the Project (including the technology licence for the Project) are in place, to the satisfaction of the Principal. <p>The Principal must obtain the approval of the WA Treasury in respect of the Principal's financing arrangements for the Project as a condition precedent to the Contract coming into operation.</p>
2	Design and construction obligations	<p>The Contractor will be solely responsible for:</p> <ul style="list-style-type: none"> • the design, engineering, procurement, construction, testing and commissioning of the RRF; • the supply of all things necessary to undertake the Works and to perform the Contractor's obligations during the D&C Phase; • achieving Practical Completion of the RRF on or before the Date for Practical Completion; and • the operation of the RRF for an initial operating period of a minimum of one year during which it must be shown that the RRF operates in accordance with the minimum requirements and KPIs set out in the Contract. <p>The RRF must have an effective treatment capacity of:</p> <ul style="list-style-type: none"> • 60,000 tonnes per year for Anaerobic Digestion technologies; and • 100,000 tonnes per year for Gasification, Pyrolysis,

No.	Section	Contractual term
		<p>Plasma and Incineration / Combustion technologies, (Effective Treatment Capacity).²</p> <p>The Contractor must undertake the Contractor's design obligations and produce the design documents to comply with the Principal's requirements for the design and construction of the RRF (Principal's Requirements).</p> <p>The Superintendent must have a right of approval of the design documents.</p> <p>The Superintendent may direct the Contractor to vary the design documents. Any direction to vary the design documents will constitute a variation to the Works, unless the design documents, prior to the variation being directed, do not comply with the Principal's Requirements.</p>
3	Payment	<p>The Contract Sum for the design and construction of the Works during the D&C Phase will be a fixed lump sum amount.</p> <p>The Contractor will be paid by:</p> <ul style="list-style-type: none"> • monthly progress payments for the work performed by the Contractor during each month; and • milestone payments for completion of specified components of the Works in accordance with the Contractor's Program. <p>The Contract Sum will only be adjusted for variations to the Works. There will be no adjustments to the Contract Sum for any other reason, including cost escalation or rise and fall. There are no provisional sums.</p>
4	Security	<p>The Principal will retain part of the Contract Sum as retention moneys to secure the performance of the Contractor's obligations during the D&C Phase (including as part of the Initial Operating Period (refer to Item 19 below)). Any interest earned on the retention moneys will be owned by the Contractor (less the amount of any insurance premiums paid by the Principal in respect of the bank account for the retention monies).</p> <p>In addition, the Contractor will be required to provide the Principal with a performance security in the form of an unconditional and irrevocable bank guarantee for the duration of the D&C Phase. The amount of the performance security required to be provided by the Contractor during the D&C Phase will increase at the commencement of the Initial Operating Period.</p> <p>The value of the performance security must be maintained by the Contractor at its full amount as required by the Contract and must be reinstated by the Contractor upon the making of any call by the Principal on the performance security.</p>

² Proponents are to base pricing of their proposed RRFs on the initial Effective Treatment Capacity (i.e. 60,000 tonnes per year for Anaerobic Digestion technologies and 100,000 tonnes per year for Gasification, Pyrolysis, Plasma and Incineration / Combustion technologies).

No.	Section	Contractual term
		The Contractor will be required to provide the Principal with a parent company guarantee for the performance of its obligations during the D&C Phase. This will only be required if the Contractor is a special purpose vehicle.
5	Assignment and subcontracting	<p>Each party must obtain the other party's prior approval to any assignment of its rights, benefits or interest under the Contract to a third party.</p> <p>The Contractor must obtain the Superintendent's approval prior to entering into any key subcontracts in respect of the Works except for those key subcontracts executed in satisfaction of the conditions precedent.</p> <p>The Contractor must not terminate or amend key subcontracts without the Principal's consent.</p>
6	Conditions of Site	<p>All risks associated with the pre-existing conditions of the Site (as identified in the baseline study of the Site to be procured by the Principal and provided to the Contractor prior to the date of the Contract) and native title will be the responsibility of the Principal under the Contract. During the D&C Phase, the Contractor is entitled to extensions of time as the Superintendent deems appropriate and any delay costs reasonably incurred by the Contractor if those risks occur.</p> <p>The Contractor will be responsible for the risks associated with all of the other physical conditions and characteristics of the Site during the D&C Phase and will not be entitled to any adjustment to the Contract Sum or extension of time if those risks occur.</p>
7	Compliance	<p>The Principal must obtain the environment approval under Part IV of the <i>Environmental Protection Act 1986 (WA)</i> and all zoning approvals for the Project.</p> <p>The Contractor must obtain and maintain all other authorisations for the Project, including the development approval, the building licence, the works approval and the operating licence for the Project, for as long as is necessary to undertake the Contractor's obligations under the Contract.</p> <p>Upon any early termination of the Contract, the Contractor must do all things necessary to transfer any authorisations for the Project to the Principal (including the operating licence for the Project).</p> <p>The Contractor must comply with occupational health and safety laws and requirements of the Principal.</p>
8	Change in Law	During the D&C Phase, the Contractor will not be entitled to an adjustment to the Contract Sum or extension of time as a result of a Change in Law after the date of the Contract or any discrepancy between the Contract and a Law.
9	Intellectual property rights	The intellectual property rights in respect of the design documents must be transferred to the Principal and the Principal will grant to the Contractor an irrevocable licence to use the design documents for the Project.

No.	Section	Contractual term
10	Water / Power / Utilities	The required utility services will be made available by the Principal to the boundary of the chosen site for the RRF. The Contractor is solely responsible for the design and construction (and operation and maintenance) of all of the interfaces with the utility services.
11	Care of Works and excepted risk	<p>The Contractor will be responsible for the care of the Works up to the Date of Practical Completion.</p> <p>Up to the Date of Practical Completion, the Principal will accept responsibility for certain categories of risks which are beyond the control of the Contractor and which have caused loss or damage to the Works, being:</p> <ul style="list-style-type: none"> • breach of Contract by the Principal or any negligent act or omission of the Principal, the Superintendent or the employees, consultants or agents of the Principal; and • any force majeure event.
12	Appointment of Superintendent	<p>The Principal will appoint a Superintendent to administer the Contract and supervise and inspect the Works.</p> <p>The Superintendent's role will include representing the Principal in respect of certain matters during the D&C Phase and performing independent certifying functions under the Contract, including assessing the Contractor's entitlement to any extension of time under the Contract and assessing payment claims made by the Contractor during the D&C Phase.</p>
13	Indemnity and limits on liability	<p>The Contractor will provide the usual indemnities to the Principal.</p> <p>Each party's liability to the other party under the Contract will be limited.</p> <p>The recovery of consequential loss under the Contract will be excluded except to the extent recoverable under insurance.</p> <p>This position will apply during both the D&C Phase and the O&M Phase.</p>
14	Insurances	<p>The Contractor must maintain such insurance policies and coverage for the design and construction of the Works as is required by law and good utility practice. The insurance requirements will be set out in more detail in the Contract.</p> <p>Insurance proceeds received must be applied to repair damage caused to the Works by the event for which insurance was claimed.</p>
15	Site and inspection	<p>The Principal will own the Site.</p> <p>The Principal will grant the Contractor a licence to access the Site for such use and control as is necessary to enable the Contractor to execute the Works during the D&C Phase, and, subsequently, to operate and maintain the RRF during the O&M Phase. The Contractor will have control of the Site during both the D&C Phase and the O&M Phase.</p> <p>The Principal is entitled to inspect the construction of the</p>

No.	Section	Contractual term
		<p>Works at any time on notice to the Contractor.</p> <p>The Contractor will be responsible for making arrangements for any access to or use of any adjoining site or property which the Contractor may require in the performance of the Works (including obtaining any necessary easements). If required by the Site, permanent site access arrangements must be made by the Contractor.</p>
16	Suspension of the Works	<p>The Superintendent will be entitled to suspend the Works:</p> <ul style="list-style-type: none"> • because of an act or omission of either party; • for the protection or safety of any person or property; or • to comply with an order of a Court. <p>The Contractor will not be entitled to suspend the Works without the prior approval of the Principal.</p> <p>All costs incurred by the Contractor during a period of suspension (other than those costs reasonably and actually incurred by the Contractor when the works are suspended due to an excepted risk referred to in Item 11 above) will be borne by the Contractor.</p>
17	Practical Completion and extensions of time	<p>When the Superintendent is of the opinion that Practical Completion of the RRF has been achieved, the Superintendent may issue a Certificate of Practical Completion to the Contractor.</p> <p>During the D&C Phase, the Contractor will be entitled to an extension of time to the Date for Practical Completion in respect of the following causes of delay:</p> <ul style="list-style-type: none"> • breach of Contract by the Principal or any negligent act or omission of the Principal, the Superintendent or the employees, consultants or agents of the Principal; • any native title issues in respect of the Project; • any pre-existing contamination on the Site which is identified in the baseline study; • any force majeure event under the Contract; and • any variation requested by the Principal which the Superintendent determines necessitates an extension of time. <p>In addition, the Principal will be responsible for the delay costs reasonably incurred by the Contractor for any cause of delay which entitles the Contractor to an extension of time, except for delays arising from any force majeure event or a variation requested by the Contractor, which will be at the Contractor's cost.</p> <p>Following Practical Completion:</p> <ul style="list-style-type: none"> • the Initial Operating Period will commence (refer to Item 19 below); and • the Contractor must complete any punch-list items in respect of the Works.
18	Liquidated damages and	Liquidated damages will be payable by the Contractor if the

No.	Section	Contractual term
	early completion bonus	<p>Contractor fails to achieve Practical Completion of the RRF on or before the Date for Practical Completion and the delay is not otherwise excused under the Contract.</p> <p>A failure by the Contractor to achieve Practical Completion of the RRF within a specified period of time after the Date for Practical Completion will constitute a default by the Contractor under the Contract.</p> <p>The Contractor will not be entitled to an early completion bonus payment for early achievement of Practical Completion of the RRF.</p>
19	Initial Operating Period	<p>Following Practical Completion, there will be an initial operating period of a minimum of one year (Initial Operating Period), during which it must be shown that the RRF operates in accordance with the minimum requirements and KPIs set out in the Contract.</p> <p>The requirements of the Initial Operating Period (including the KPIs) and the fee payable during the Initial Operating Period will be set out in the Contract. Failure to achieve the requirements of the Initial Operating Period within the timeframe set out in the Contract will constitute a default by the Contractor under the Contract.</p>
20	Variations	<p>The Principal has the right to direct variations and the Contractor must comply with any direction for a variation.</p> <p>Variations to the Works will be valued in accordance with a schedule of rates set out in the Contract.</p>
21	Force majeure	<p>A party is excused from performance of its obligations under the Contract during the D&C Phase to the extent that it is unable to perform due to a force majeure event.</p> <p>In addition, if the Contractor is delayed in achieving Practical Completion as a result of the force majeure event, the Contractor will be entitled to an extension of time (but not delay costs).</p>
22	Default and termination	<p>The events of default of the Contractor during the D&C Phase will be set out in the Contract and will include events of default in respect of:</p> <ul style="list-style-type: none"> • failing to achieve a milestone in the Contractor's Program by an agreed date (including failing to achieve Practical Completion within a specified period of time after the Date for Practical Completion); • failing to achieve the requirements of the Initial Operating Period within the timeframe set out in the Contract; • failure to comply with intellectual property and confidentiality obligations; failure to obtain and maintain all necessary authorisations and • the Contractor's improper use of the Site. <p>If the Contractor commits a default, the Principal will be entitled to take the whole or any part of the Works out of the hands of the Contractor, terminate the Contract or</p>

No.	Section	Contractual term
		<p>suspend payments to the Contractor.</p> <p>The events of default of the Principal during the D&C Phase will be set out in the Contract. Failure by the Principal to make a payment due during the D&C Phase will only constitute a default of the Principal if the payment is not the subject of a dispute between the parties.</p> <p>If the Principal commits a default, the Contractor will be entitled to suspend the whole or any part of the Works for as long as the default continues and recover from the Principal any damages incurred by the Contractor by reason of the suspension. The Contractor will not be entitled to terminate the Contract.</p> <p>During the D&C Phase, the Contract may be terminated due to:</p> <ul style="list-style-type: none"> • a default of the Principal; • a default of the Contractor; • exercise of the Principal's right to terminate for convenience; or • a prolonged force majeure event.
23	Warranties	<p>The Contractor must give the usual warranties, including a warranty as to its and its subcontractors' skill and experience.</p> <p>In addition, the Contractor must give the Principal a 'whole of design life' warranty in respect of the RRF.</p>
24	Technology licence	<p>The technology licence for the Project (including operation of the RRF during the Initial Operating Period and the O&M Phase) must include technical support from the licensor to the Contractor during the period of the licence.</p>
25	Project committee	<p>There will be a project committee to oversee the Project consisting of an independent chairperson and an equal number of senior representatives of the Principal and the Contractor.</p> <p>Decisions of the project committee are recommendations to the parties, but are non-binding.</p>
26	Dispute resolution	<p>Each party must notify the other party of any matter which may amount to or result in an issue between the parties in relation to the Contract or the Project or which may potentially lead to a dispute under the Contract and, prior to either party giving a notice of dispute under the Contract, the project committee must discuss the matter and provide a recommendation to the parties in respect of the matter.</p> <p>The dispute resolution procedure under the Contract will be as follows:</p> <ul style="list-style-type: none"> • following the giving of a notice of dispute under the Contract, the parties must confer and attempt to resolve the dispute; • if the dispute is not resolved by the conferral of the parties, either party may refer the dispute to mediation;

No.	Section	Contractual term
		<p>and</p> <ul style="list-style-type: none"> if the dispute is not resolved by mediation, the Principal may elect to either refer the dispute to arbitration or commence legal proceedings in respect of the dispute.

2.2 O&M Phase

The following additional key contractual terms will apply during the O&M Phase of the Project.

No.	Subject	Contractual Term
1	Operation and maintenance	<p>The Contractor is solely responsible for the operation and maintenance of the RRF until the end of the O&M Phase.</p> <p>The RRF must be operated and maintained in accordance with:</p> <ul style="list-style-type: none"> good utility practice; all laws and authorisations; the KPIs; all plans prepared by the Contractor for the operation and maintenance of the RRF (and approved by the Principal); the requirements of third party providers of utilities; and an agreed operations and maintenance manual. <p>With the exception of processible waste, the Contractor must acquire all inputs for the operation and maintenance of the RRF.</p>
2	Duration of O&M Phase	<p>The initial duration of the O&M Phase of the Project will be 10 years, with options to the Principal to extend the O&M Phase by 5 year intervals up to the expiration of the design life of the RRF.</p> <p>The Contract will include a performance assessment mechanism under which the Contractor's performance during the O&M Phase will be assessed. This will be taken into account by the Principal in exercising its right to extend the O&M Phase.</p>
3	Payment	<p>The Contractor will be paid a service fee, which comprise:</p> <ul style="list-style-type: none"> a fixed operating cost component; and a variable operating cost component, <p>(Fee).</p> <p>Payment will be monthly. The method of calculation of the Fee will be set out in the Contract.</p> <p>The Fee is the Contractor's only entitlement to payment for the services performed by the Contractor during the O&M Phase.</p>
4	Security	<p>The Contractor must provide the Principal with a performance security for the duration of the O&M Phase in the form of an unconditional and irrevocable bank guarantee.</p>

No.	Subject	Contractual Term
		<p>The amount of the performance security must be reinstated by the Contractor upon the making of any call by the Principal on the performance security.</p> <p>The Contractor must provide the Principal with a parent company guarantee in respect of the performance by the Contractor of its obligations during the O&M Phase. This will only be required if the Contractor is a special purpose vehicle.</p>
5	Assignment and subcontracting	<p>Each party must obtain the other party's prior approval to any assignment of its rights, benefits or interest under the Contract to a third party.</p> <p>The Contractor must obtain the Principal's approval prior to entering into any key subcontracts in respect of its obligations under the O&M Phase.</p> <p>The Contractor must not terminate or amend key subcontracts without the Principal's consent.</p>
6	Change in Law	<p>Change in Law does not excuse the Contractor from performing its obligations during the O&M Phase.</p> <p>The parties will discuss any amendments required to the Contract due to a significant Change in Law that occurs during the O&M Phase.</p>
7	Title to RRF	<p>The Principal has title to the RRF at all times during the O&M Phase (including title to any Products as described in Item 16 below).</p>
8	Insurances	<p>The Principal must maintain insurance in respect of any loss or damage to the RRF. The Contractor must maintain such other insurance policies and coverage for the operation and maintenance of the RRF as is required by law and good utility practice. The insurance requirements will be set out in more detail in the Contract.</p>
9	KPIs	<p>The performance of the Contractor during the O&M Phase will be measured against the KPIs.</p> <p>The Fee will be abated if the Contractor fails to achieve any or all of the KPIs.</p> <p>If the Contractor persistently fails to achieve any or all of the KPIs, it is a default of the Contractor under the Contract.</p>
10	Testing	<p>The Contractor must test the RRF in accordance with the monitoring and testing plan (prepared by the Contractor for the Project and approved by the Principal).</p>
11	Community engagement	<p>The Contractor must comply with the Principal's obligations to the community for the Project (which will be further described in the Contract).</p>
12	Delivery of processible waste	<p>The Principal will deliver processible waste to the RRF up to the Effective Treatment Capacity (refer to item 2 in section 2.1 above).</p> <p>Waste will be weighed on a weighbridge which will be conclusive evidence of the waste delivered.</p> <p>The Contractor must ensure that the RRF is able to receive</p>

No.	Subject	Contractual Term
		<p>processable waste at the specified hours of operation.</p> <p>The Contractor must ensure that the Effective Treatment Capacity of the RRF is made available to the Principal each year of the O&M Phase.</p> <p>The waste that will be delivered to the RRF (i.e. processible waste) is waste which is collected by or on behalf of the Principal or its constituent councils from bins placed by occupiers of residential premises situated within the districts of the constituent councils from time to time, but not including:</p> <ul style="list-style-type: none"> • waste which is collected from those occupiers as part of a recycling service; or • bulk waste which is collected from those occupiers (not in bins) on a semi-annual or annual basis.
13	Quality of processible waste	<p>The Principal gives no representation or guarantee in respect of the quality, constitution or level of compaction of processible waste. However, if there is a material and permanent change in waste composition that can be demonstrated and it prevents the Contractor from meeting the KPIs, the Contractor may request a variation.</p> <p>Treatment and disposal of processible waste is at the Contractor's risk.</p> <p>The Contractor is responsible for disposing of any hazardous waste delivered to the RRF in accordance with all laws. The Contractor must separate the hazardous waste from the processible waste and dispose of it at the Principal's waste management facility at Red Hill, Lot 12, 1204 Toodyay Road, Red Hill, Western Australia. Disposal of hazardous waste will be at no cost to the Contractor.</p>
14	Treatment of processible waste	<p>The Contractor must accept and dispose of all processible waste delivered to the RRF by or on behalf of the Principal up to a maximum daily amount of processible waste of 260 tonnes per day (for an RRF with an Effective Treatment Capacity of 60,000 tonnes per year) and 430 tonnes per day (for an RRF with an Effective Treatment Capacity of 100,000 tonnes per year).</p> <p>The Contractor must not accept waste from third parties for processing at the RRF.</p> <p>The Contractor must process processible waste in accordance with the Contract.</p>
15	Ownership and title in the waste	<p>Ownership and title in the processible waste (and any residue and Products from the processible waste) will remain with the Principal.</p>
16	Products	<p>The Contractor is required to recover products from processible waste processed at the RRF (Products) in accordance with the Contract. An agreed quantity of Products must be recovered per annum and must meet KPIs as to quality.</p>
17	Disposal of residue	<p>Any residue produced as part of the treatment process and waste received at the RRF which is not processed in</p>

No.	Subject	Contractual Term
		accordance with the Contract must be disposed of by the Contractor at the Principal's waste management facility at Red Hill, Lot 12, 1204 Toodyay Road, Red Hill, Western Australia at member council rates. Any residue will be taken into account when measuring the Contractor's performance against the KPI for waste diversion from landfill.
18	Variations	<p>The Principal has the right to direct variations and the Contractor must comply with any direction for a variation.</p> <p>There will be an agreed process for adjusting the Fee following a variation directed by the Principal or a variation agreed between the parties.</p>
19	Force majeure	A party is excused from performance of its obligations under the Contract during the O&M Phase to the extent that it is unable to perform due to a force majeure event.
20	Monitoring and records	<p>The Contract will be based on an open book policy.</p> <p>The Contractor must maintain the records required by the Contract and provide the Principal with the documents in the manner described in the Contract.</p>
21	Default and termination	<p>The events of default of the Contractor during the O&M Phase will be set out in the Contract.</p> <p>If the Contractor commits a default, the Principal will be entitled to step in and operate and maintain the RRF itself (refer to Item 22 below), terminate the Contract or suspend payments to the Contractor.</p> <p>The events of default of the Principal during the O&M Phase will be set out in the Contract. Failure by the Principal to make a payment due during the O&M Phase will only constitute a default of the Principal if the payment is not the subject of a dispute between the parties.</p> <p>If the Principal commits a default, the Contractor will be entitled to suspend the whole or any part of the services performed during the O&M Phase for as long as the default continues and recover from the Principal any damages incurred by the Contractor by reason of the suspension. The Contractor will not be entitled to terminate the Contract.</p> <p>During the O&M Phase, the Contract may be terminated due to:</p> <ul style="list-style-type: none"> • a default of the Principal; • a default of the Contractor; • exercise of the Principal's right to terminate for convenience; • a prolonged force majeure event; or • expiration of the 20 year O&M phase.
22	Step in	<p>During the O&M Phase, the Principal requires step in rights for the Project where, in the Principal's reasonable opinion, a default of the Contractor (including an insolvency event) has occurred or there is a real and immediate risk that:</p> <ul style="list-style-type: none"> • the operating licence for the RRF will be revoked or not

No.	Subject	Contractual Term
		<p>granted;</p> <ul style="list-style-type: none"> • action will be taken by a governmental agency to require the RRF to cease operation; • public health or public safety associated with the RRF or the premises on which it is situated will be threatened; or • an event will occur that may damage the RRF so that there would be a substantial reduction of the capacity of the RRF.
23	Handover arrangements	At the expiration of the O&M Phase, the Contractor must hand over the RRF to the Principal in accordance with the handover condition set out in the Contract.



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

Ms Cave departed the meeting at 6.20pm.

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 PULE

SECONDED FÄRDIG

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

10.1 RESOURCE RECOVERY FACILITY - ACCEPTABLE TENDERERS

REFERENCE: COMMITTEES-12150

See Confidential Item circulated with the Agenda under Separate Cover

RECOMMENDATION [Meeting re-opened to the public]

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

RRC RESOLUTION(S)

MOVED CR PULE

SECONDED CR GODFREY

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



Item 10 continued

Recording of the recommendations passed behind closed doors, namely:

10.1 RESOURCE RECOVERY FACILITY - ACCEPTABLE TENDERERS

REFERENCE: COMMITTEES-12150

RRC RECOMMENDATION(S)

MOVED CR PULE

SECONDED CR LINDSEY

That:

1. Council notes the advice from SITA Environmental Solutions and WSN Environmental Solutions of their intention to withdraw from the tender process for the EMRC Resource Recovery Facility.
2. The list of Acceptable Tenderers be amended to remove SITA Environmental Solutions and WSN Environmental Solutions.
3. SITA Environmental Solutions be advised of Council's acknowledgement of both SITA Environmental Solutions and WSN Environmental Solution's withdrawal from the EMRC Resource Recovery Facility tender process.
4. The report and attachments remain confidential and be certified by the Chairman and the Chief Executive Officer.

CARRIED UNANIMOUSLY

11 GENERAL BUSINESS

The Manager Project Development advised that the Waste & Recycle Conference 2011 would be held in September so a report item would be submitted to the next RRC meeting.

12 FUTURE MEETINGS OF THE RESOURCE RECOVERY COMMITTEE

The next meeting of the Resource Recovery Committee will be held on **Thursday, 7 July 2011 (if required)** at the EMRC Administration Office, 1st Floor, Ascot Place, 226 Great Eastern Highway, Belmont WA 6104 commencing at 5.00pm.

Future Meetings 2011

Thursday	7 July (if required)	at	EMRC Administration Office
Thursday	4 August	at	EMRC Administration Office
Thursday	8 September (if required)	at	EMRC Administration Office
Thursday	6 October	at	EMRC Administration Office
Thursday	17 November (if required)	at	EMRC Administration Office

13 DECLARATION OF CLOSURE OF MEETING

There being no further business, the Chairman closed the meeting at 6.30pm.



**15.4 CHIEF EXECUTIVE OFFICERS ADVISORY COMMITTEE MEETING HELD 14 JUNE 2011
(REFER TO MINUTES OF COMMITTEE - BLUE PAGES)
REFERENCE: COMMITTEES-12344**

The minutes of the Chief Executive Officers Advisory Committee meeting held on **14 June 2011** accompany and form part of this agenda – (refer to blue section of 'Minutes of Committees' for Council accompanying this Agenda).

QUESTIONS

The Chairman invited general questions from members on the report of the Chief Executive Officers Advisory Committee.

Cr Butler returned to the meeting at 6.59pm.

RECOMMENDATION

That with the exception of items, which are to be withdrawn and dealt with separately, the recommendations in the Chief Executive Officers Advisory Committee report (Section 15.4) be adopted.

COUNCIL RESOLUTION

MOVED CR LINDSEY

SECONDED CR FÄRDIG

THAT WITH THE EXCEPTION OF ITEM 9.2, WHICH IS TO BE WITHDRAWN AND DEALT WITH SEPARATELY, THE RECOMMENDATIONS IN THE CHIEF EXECUTIVE OFFICERS ADVISORY COMMITTEE REPORT (SECTION 15.4) BE ADOPTED.

CARRIED UNANIMOUSLY

CHIEF EXECUTIVE OFFICERS ADVISORY COMMITTEE

MINUTES

14 June 2011

(REF: COMMITTEES-12344)

A meeting of the Chief Executive Officers Advisory Committee was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Tuesday, 14 June 2011**. The meeting commenced at **12.31pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 12:31pm.

2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

Committee Members

Mr Jonathan Throssell (Chairman)	Chief Executive Officer	Shire of Mundaring
Mr Bob Jarvis	Chief Executive Officer	Town of Bassendean
Mr Stuart Cole	Chief Executive Officer	City of Belmont
Mr James Trail	Chief Executive Officer	Shire of Kalamunda
Mr Mike Foley (Deputy Chairman)	Chief Executive Officer	City of Swan
Mr Peter Schneider	Chief Executive Officer	EMRC

Apologies

Ms Francesca Lefante	Chief Executive Officer	City of Bayswater
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EMRC Officers

Ms Prapti Mehta	Acting Director Regional Services
Mr Steve Fitzpatrick (<i>to 2.07pm</i>)	Manager Project Development
Ms Mary-Ann Winnett	PA to Director Corporate Services (Minutes)

Guests

Mr Laurie James (<i>to 1.43pm</i>)	Kott Gunning
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3 DISCLOSURE OF INTERESTS

Nil

4 ANNOUNCEMENT BY THE CHAIRMAN OR PERSON PRESIDING WITHOUT DISCUSSION

The Chairman announced that there would be a change in order of business and **Item 9.1 Establishment Agreement of the Eastern Metropolitan Regional Council** would be considered first, followed by **Item 6.1 Resource Recovery Facility Progress Update**.

5 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

5.1 MINUTES OF CEOAC COMMITTEE MEETING HELD ON 12 APRIL 2011

That the minutes of the Chief Executive Officers Advisory Committee meeting held on 12 April 2011, which have been distributed, be confirmed.

CEOAC RESOLUTION(S)

MOVED MR COLE

SECONDED MR JARVIS

THAT THE MINUTES OF THE CHIEF EXECUTIVE OFFICERS ADVISORY COMMITTEE MEETING HELD ON 12 APRIL 2011 WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY



6 PRESENTATION

6.1 RESOURCE RECOVERY FACILITY PROGRESS UPDATE

This item was dealt with later in the meeting following **Item 9.1 Establishment Agreement of the Eastern Metropolitan Regional Council**.

The Manager Project Development, Mr Stephen Fitzpatrick, provided an update on the progress of the Resource Recovery Project.

Mr Jarvis referred to the risk profile and environmental issues and asked if loss of reputation would also be considered and stated that even if there was not an environmental fault there could be a loss of reputation and the responsibility would be shared with an owner and operator. The Manager Project Development advised that it had been considered as part of the Worley Parsons review quite some time ago but had not been considered as part of the contractual issues but this would be reviewed again.

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 ESTABLISHMENT AGREEMENT OF THE EASTERN METROPOLITAN REGIONAL COUNCIL

REFERENCE: COMMITTEES-12380

PURPOSE OF REPORT

The purpose of this report is to review the appropriateness of the Establishment Agreement of the Eastern Metropolitan Regional Council in dealing with the establishment and operation of a Resource Recovery Facility and to consider any amendments deemed necessary.

KEY ISSUES AND RECOMMENDATION(S)

- The EMRC was constituted under the Local Government Act 1960 in 1983 with a Constitution Agreement.
- In 1998 the Constitution Agreement was replaced with an Establishment Agreement as required under the Local Government Act 1995.
- At a Council Briefing/Strategy session held on 24 March 2011, a discussion paper on the pros and cons of the Establishment Agreement in the context of the Resource Recovery Facility project was presented by Mr Laurie James of Kott Gunning.
- The Chief Executive Officers Advisory Committee members have subsequently discussed the Establishment Agreement and unanimously supported the Resource Recovery Facility project being classified as a "Continuing Project and Service" under Schedule 1 of the Establishment Agreement.

Recommendation(s)

That the Chief Executive Officers Advisory Committee discuss the Establishment Agreement of the Eastern Metropolitan Regional Council and determine an appropriate recommendation for Council consideration.

SOURCE OF REPORT

Chief Executive Officer

BACKGROUND

The districts of the EMRC Participants were constituted as a regional district and published in the Government Gazette on 19 August 1983. Pursuant to the former Local Government Act 1960 and by virtue of the Order of the Governor, a regional council was then constituted with a Constitution Agreement.

Changes as a result of the Local Government Act 1995, were required to amend the former Constitution Agreement by revoking it and substituting it with an Establishment Agreement.

Each of the Participants resolved in June 1998, when taking over the functions of the Eastern Metropolitan Local Authorities Group (EMLAG), to enter into the current Establishment Agreement of the Eastern Metropolitan Regional Council.

REPORT

At the Council Briefing/Strategy session held on 24 March 2011 a discussion paper was presented by solicitor Mr Laurie James of Kott Gunning on the pros and cons of the Establishment Agreement in the context of the Resource Recovery Facility project.



Item 9.1 continued

The Chief Executive Officers of the member Councils undertook a preliminary discussion of the above paper at their 12 April 2011 Chief Executive Officers Advisory Committee meeting and they suggested a background paper, on the history and purpose of the EMRC, would be beneficial and agreed to meet outside of the normal round of meetings to consider the matter further.

The Chief Executive Officers subsequently met on 5 May 2011 and after their deliberations, unanimously agreed that the Resource Recovery Facility should be classified as a "Continuing Project and Service" under Schedule 1 of The Establishment Agreement as an activity being defined as "the removal, processing, treatment and disposal of waste".

It was agreed that Mr Laurie James of Kott Gunning would attend the next Chief Executive Officers Advisory Committee meeting to discuss any suggested amendments to the Establishment Agreement to facilitate this position.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 1 – Environmental Sustainability

- 1.3 To provide resource recovery and recycling solutions in partnership with member Councils.

Key Result Area 4 – Good Governance

- 4.4 To manage partnerships and relationships with stakeholders.
- 4.6 To provide responsible and accountable governance and management to the EMRC.

FINANCIAL IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

The establishment of a Resource Recovery Facility will facilitate sustainable waste management practices in Perth's Eastern Region.

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)

Nil



Item 9.1 continued

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That the Chief Executive Officers Advisory Committee discuss the Establishment Agreement of the Eastern Metropolitan Regional Council and determine an appropriate recommendation for Council consideration.

Discussion ensued

Mr James explained the draft amendments to the Establishment Agreement and outlined the issues associated with classifying the RRF as a continuing service or a new project.

The following issues were considered:

- If the RRF is classified as a new project then the agreement would need to be amended and member Councils would need to provide a proportional guarantee in order to be involved in the project;
- Member Councils would need to agree to participate in the RRF if it's classified as a new project but if it's defined as a continuing service then an individual Council could decide not to participate and then decide to opt in later without having taken any of the risk;
- Currently it's up to the EMRC to decide whether the project goes ahead and member Councils are not obliged to participate although practically speaking the project could not proceed without member Councils' commitment;
- The RRF can't be developed without external funding and that needs the support of all or a majority of member Councils to participate;
- If one or two of the member Councils decide not to participate then the rest of the member Councils take on a greater burden if the project goes ahead;
- There could be a separate agreement with the member Councils to guarantee the volume and to guarantee the loans and agreement would be required prior to going out to tender;
- There would be merit in having certainty on commitment to the project prior to amending the Establishment Agreement;
- The Shire of Kalamunda needs to be part of resource recovery but also needs to know how much it's going to cost. The Committee agreed that this applied to all the member Councils;

The Committee requested that the member Councils be advised of the following implications prior to amending the Establishment Agreement:

- Cost and effect on borrowing capacity of guarantee; and
- Potential cost/risk of members entering into new project at a later date.

It was agreed by the CEOAC that, taking into account all the issues raised by Mr James, the Resource Recovery Facility project should be classified as a New Project under Schedule 2 of the Establishment Agreement of the EMRC. The main reason for this being the requirement for proportional guarantees by member Councils for any borrowings by the EMRC in order to finance the project, acknowledging that a proportion of the funding would be provided from the Secondary Waste Reserve.

Mr James undertook to provide a draft amendment to the Establishment Agreement of the EMRC, listing the Resource Recovery Facility as a new project, for consideration.



Item 9.1 continued

Mr Schneider highlighted a number of minor anomalies between Schedules 1 & 2 and it was agreed that a longer form draft amendment would also be provided for consideration.

Mr James departed the meeting at 1.43pm.

CEOAC RECOMMENDATION(S)

MOVED MR THROSSELL

SECONDED MR JARVIS

1. That at some point in the future, prior to tenders being called for the Resource Recovery Facility, the Establishment Agreement be amended to reflect the Resource Recover Facility as a "New Project".
2. That member Councils be advised of the implications of the proposed amendment.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR LINDSEY

SECONDED CR FÄRDIG

1. THAT AT SOME POINT IN THE FUTURE, PRIOR TO TENDERS BEING CALLED FOR THE RESOURCE RECOVERY FACILITY, THE ESTABLISHMENT AGREEMENT BE AMENDED TO REFLECT THE RESOURCE RECOVER FACILITY AS A "NEW PROJECT".
2. THAT MEMBER COUNCILS BE ADVISED OF THE IMPLICATIONS OF THE PROPOSED AMENDMENT.

CARRIED UNANIMOUSLY



9.2 REGIONAL TOURISM PROGRAM – IMPLICATIONS FROM WITHDRAWAL BY CITY OF SWAN

REFERENCE: COMMITTEES-12366

PURPOSE OF REPORT

To advise that the City of Swan has given notice of their withdrawal from the Regional Tourism Program effective from 1 July 2011 and to propose options for the future direction of regional tourism within Perth's Eastern Region.

KEY ISSUES AND RECOMMENDATION(S)

- In July 2009 EMRC received notification from the City of Swan of its intention to withdraw from Regional Tourism.
- In May 2010 the City of Swan and the EMRC Executive teams met to discuss the proposed Regional Services Funding Agreement and at this meeting the City of Swan officers again advised of their intention to withdraw from the Regional Tourism Program as they were concerned that value for money for the program in its current form was not being achieved.
- In July 2010, the City of Swan reconsidered its view and advised the EMRC it would provide half funding for the program for 2010/2011 for which the EMRC would coordinate the Avon Descent program and continue to maintain the regional website.
- In January 2011 the City of Swan advised by email that they would not be funding the Regional Tourism Program but were interested in receiving continued support for the Avon Descent project and for specific proposals as outlined in this report.
- In February 2011 the EMRC met with Lotterywest to advise them of the situation in relation to the City of Swan withdrawal and its implications on the \$250,000 regional grant for the Avon Descent Family Fun Days. Lotterywest advised that they would require all parties to continue to be part of the regional grant and they would not be supporting individual grant applications.
- In March 2011 EMRC negotiated a \$5,000 sponsorship with the City of Swan as an interim solution in order to secure some level of contribution required to fund the coordination of the Avon Descent Family Fun Days program for 2011/2012. This agreement was reached as a compromise in order to lodge the grant application by the deadline of the end March 2011. This was only an interim solution for this year until a more appropriate solution can be determined.
- In May 2011 the EMRC held its annual meeting with the City of Swan officers to finalise funding arrangements for 2011/2012 and it was reiterated by the City of Swan officers that the City of Swan will not be funding the Regional Tourism Program.
- In light of the decision by the City of Swan, EMRC officers presented a report to Council on 19 May 2011 outlining five options for consideration in order to provide a way forward for regional tourism.
- The following five options were outlined in detail within the report:
 1. Retain the current level of service with five member Councils;
 2. Reduce current level of service and reduce member Council contributions;
 3. Retain components of the service on a fee for service basis;
 4. Cease all regional tourism servicing; and
 5. Combine Regional Tourism with Regional Economic Development.
- Having considered the above options Council resolved that the report should be presented at a Chief Executive Officers Advisory Committee meeting in order to gain their views on the options outlined within the report.

Recommendation(s)

That the Chief Executive Officers Advisory Committee determine a preferred option for the regional tourism service provided by the Eastern Metropolitan Regional Council.



Item 9.2 continued

SOURCE OF REPORT

Acting Director Regional Services
Manager Regional Development

BACKGROUND

The EMRC is the only regional council in the Perth metropolitan area to have expanded its role to include regional tourism development. Milestones in the evolution of a regional tourism strategy for Perth's Eastern Region include:

- 1997 Regional Tourism Strategy developed for the Eastern Metropolitan Local Authorities Group (EMLAG). EMLAG employed the Tourism Projects Coordinator to implement the Regional Tourism Strategy;
- 1998 EMLAG amalgamated with EMRC and tourism became a continuing project and service per the Establishment Agreement of the EMRC;
- 2003 Regional Futures workshop held to engage stakeholders in review of the Regional Tourism Strategy. A Steering Group of member Council officers and industry formed to guide EMRC in the review;
- 2004 Regional Tourism Plan 2004 to 2007 finalised and endorsed by EMRC Council;
- 2008 Tourism Masterclass planning workshops conducted with Councillors and staff of EMRC and member Councils by the Centre for Sustainable Tourism Research. Consensus reached that the Sustainable Tourism Development framework provided a suitable model for development of a new Regional Tourism Strategy for Perth's Eastern Region; and
- 2010 The Regional Tourism Strategy was reviewed to align with the learnings from the Masterclass which identified that a stronger focus on destination development and product development was required. This shift resulted in the development of the Regional Tourism Strategy 2010-2015.

Over this thirteen year period, regional tourism activities developed have been those that delivered the greatest benefit to the majority of member Councils. Activities have ranged from research and advocacy to promotion of events and trails. Major achievements in recent years have included:

- Development, ongoing upgrade and maintenance of the destination promotion online tool www.perthtourism.com.au;
- Promotion of regional and local events through production and maintenance of a dynamic version of the calendar of events online;
- Promotion of trails through partnering with WA Tourism to develop the Top Trails WA (www.toptrails.com.au) website comprising of 50 of WA's top trails, with 10 being in Perth's Eastern Region. The ability to leverage such opportunities was achieved through the EMRC's ability to be involved in State based projects;
- Investigation into the potential of Cycle Tourism and progressive implementation of five priority regional projects;
- Procurement for funding from Tourism WA to facilitate the Better Business Blitz market research projects in 2006 and 2009 which delivered visitors' information about the tourism experience of the Swan Valley;
- Support to the Region's three visitor centres assisting with collaborative marketing projects such as the regional DVD showcasing the three tourism precincts in Perth's Eastern Region;
- Development of the Swan and Helena Rivers Foreshore Trail Development Plan and interpretation plan;



Item 9.2 continued

- Ongoing development and improvement of the Avon Descent Family Fun Day events, which has enabled the EMRC to grow the Lotterywest grant from \$100,000 to \$250,000 over the years since it was handed over to the EMRC;
- Ongoing application, coordination and acquittal of the \$250,000 Lotterywest grant; and
- Development and promotion of umbrella regional events including Avon Descent Family Fun Days and the Perth's Autumn Festival.

The EMRC's delivery of regional tourism development activities has been possible through member Councils working in collaboration on projects that are assessed as delivering benefits across the Region. This approach recognises that benefits accrue relative to the tourism asset and product base of member Councils. For example, some member Councils will accrue greater benefit from regional event development and promotion activities whilst others from regional trails and destination development.

The EMRC tourism development function is funded through surpluses from the EMRC waste service commercial operations and supplementary grant funds. Member Councils also make an annual contribution calculated on an agreed formula that reflects the collaborative regional approach and considers rate base ($\frac{1}{3}$), population ($\frac{1}{3}$) and equal share ($\frac{1}{3}$), with an annual 5% CPI adjustment. This formula was endorsed by EMRC Council in December 2007.

In total the funding pool enables the EMRC to employ an officer with specialised skills in tourism development and support staff, which together facilitate, coordinate, plan and implement regional tourism initiatives.

The 2010/2011 regional tourism activities currently have a budget allocation of \$600,000, of which \$250,000 is secured through Lotterywest grant funding, and member Council contributions totalling around \$116,000. The balance of \$234,000 is contributed by the EMRC.

In July 2009, EMRC received notification from the City of Swan that it intended withdrawing from Regional Tourism and in May 2011 when the EMRC held its annual meeting with the City of Swan officers to finalise funding arrangements for 2011/2012, it was reiterated that the City of Swan would not be funding the Regional Tourism Program.

A report was submitted to Council at its 19 May 2011 meeting advising of this decision, when Council resolved, inter alia:

- "2. THAT A REPORT BE BROUGHT BACK TO THE CHIEF EXECUTIVE OFFICERS' ADVISORY COMMITTEE TO SEEK THEIR VIEWS ON THE OPTIONS OUTLINED IN THIS REPORT"*

(Ref: Committees –12211).

REPORT

In 2009 during annual project negotiations with member Councils the funding model underpinning the regional collaborative approach came into question by some of the member Council officers as possibly not being the most appropriate to apply in the future.

The development of a Regional Tourism Strategy in 2009/2010 was undertaken to address these concerns and set an agreed direction with member Councils for the delivery of projects that could provide benefit to the region. This process also provided an opportunity to reaffirm the continued relevance of a collaborative regional approach and alternative funding models. In 2009 Chief Executive Officers and the EMRC Council supported a review the regional tourism program and a process of engagement and consultation with member Council officers proceeded.

In February 2010 the revised Regional Tourism Strategy 2010 - 2015 was endorsed by the Chief Executive Officers Advisory Committee and the EMRC Council. At this point in time all six Councils reaffirmed their commitment to the regional tourism program for five years by approving the Regional Tourism Strategy 2010- 2015.



Item 9.2 continued

In May 2010 the City of Swan confirmed their July 2009 intention to withdraw from the program on the grounds that value for money for the program in its current form was not being achieved. In July 2010, the City of Swan further advised it would provide half funding for the program for 2010/2011 which equated to \$11,425 to ensure that the Avon Descent Family Fun Days program was continued for that financial year and that full withdrawal from the program would occur in 2011/2012. Furthermore, it was advised that the City of Swan would consider a fee for service arrangement with the EMRC to undertake specified tourism related projects.

In October 2010 the EMRC met with City of Swan officers to consider project specific proposals. These projects comprised:

- A Swan Valley Visitors Number Research project;
- Sourcing matching funding for the implementation of recommendations made in the 2010 Interpretation Plan for the Guildford heritage project;
- Review the plan for the development of a public arts trail in the Swan Valley and prepare implementation proposals for considerations by the City of Swan;
- To engage a consultant to develop a second 'family fun trail' in the Swan Valley similar to the very successful Great Valley Rally Trail; and
- To prepare a charter document for the Guildford facade rejuvenation and street scoping project.

Discussions have been occurring between EMRC and the City of Swan to undertake a joint research project on Swan Valley visitor numbers. The EMRC has not had the resources available to date to develop proposals for the other projects. EMRC will continue with discussions around these projects when resources become available. Since October 2010 planning and coordination of the Perth's Autumn Festival and the forthcoming Avon Descent Family Fun Days has taken priority.

In January 2011 City of Swan advised by email that they would not be funding the Regional Tourism Program in its current form but were interested in receiving continued support for the Avon Descent Family Fun Days project and also for specific proposals as outlined previously.

In March 2011 EMRC negotiated a one off \$5,000 sponsorship payment from the City of Swan, as an interim measure, in order to secure a level of contribution to fund the EMRC to coordinate the Avon Descent Family Fun Days program for 2011/2012. The Lotterywest grant submission deadline for lodgement is at the end of March each year. This was only an interim solution for 2011 until a more appropriate solution is determined.

In May 2011 the EMRC held its annual meeting with the City of Swan officers to finalise funding arrangements for 2011/2012 and it was reiterated by the City of Swan that they would not be funding the Regional Tourism Program.

In light of the decision by the City of Swan, a range of options have been prepared for consideration by the EMRC Council and member Councils in order to provide a way forward for regional tourism.

Options and Issues

These options are outlined as follows:

1. Retain the current level of service with five member Councils

The remaining five member Councils may choose to continue with regional tourism by the EMRC which would enable continuity of the existing program. The focus for destination development and marketing would centre on the Swan River and the Perth Hills. All new promotional materials would only present the benefits of visiting the two tourism precincts namely the Perth Hills and the Swan River and all existing material would be modified to remove promotion of the Swan Valley. Obviously the issue with this option is the significant gap in the Region's tourism product when the Swan Valley component is removed.



Item 9.2 continued

The cost for the five member Councils for this proposal would be increased as the existing funding levels would need to be maintained. The new cost for each of the member Councils, when based on the existing regional funding model criteria would be as follows:

2010/2011	LGA	2011/2012	Change
\$11,628	Town of Bassendean	\$13,221	+\$1,593
\$23,673	City of Bayswater	\$29,555	+\$5,882
\$19,059	City of Belmont	\$25,277	+\$6,218
\$19,277	Shire of Kalamunda	\$26,055	+\$6,778
\$17,017	Shire of Mundaring	\$22,555	+\$5,538
\$16,425	City of Swan	-	-\$16,425

Figures in the table above include \$5,000 the City of Swan has committed for the Avon Descent program for 2011/2012 in March 2011.

The funding formula is based upon:

- One third shared equally amongst the participating member Councils;
- Second third shared proportionately according to rate revenue; and
- Final third be shared proportionately according to population.

2. Reduce the current level of service and reduce member Council contributions

Member Councils could opt to reduce the current level of service which would subsequently reduce the associated fee.

For example if the EMRC was to only focus its effort on regional tourism events and promotion including coordination of the Avon Descent and the Perth's Autumn Festival and maintenance of the regional website, this would require an annual budget of approximately \$400,000, including the Lotterywest grant of \$250,000.

This would enable the continued employment of the existing officer as well as the \$70,000 contribution for the Perth's Autumn Festival. However, about 30 percent of the officer's time would need to be redeployed to support other regional initiatives or restructured into a part time role.

The EMRC would continue with contributing 60 percent as its regional contribution and member Councils would share the remaining \$50,000 in line with the funding formula as follows.

	2011/2012
Town of Bassendean	\$ 4,250
City of Bayswater	\$ 8,600
City of Belmont	\$ 7,300
Shire of Kalamunda	\$ 7,300
Shire of Mundaring	\$ 6,700
City of Swan	\$ 15,850
EMRC	\$ 100,000
Lotterywest	\$ 250,000
Total	\$ 400,000

* It is assumed that the City of Swan would opt to remain in the Tourism Program under this scaled back initiative.



Item 9.2 continued

3. Retain components of the service on a fee for service basis

Member Councils may opt to retain components of the service or request new components to be introduced on a fee for service basis. This would require member Councils deciding which projects they wished to pursue and the EMRC would prepare project plans based on the hourly consultancy rate established by the Council.

These rates are currently:

Member Council Consulting Fees	Hourly Rate
Consultant Director	\$96.00
Consultant Manager	\$86.00
Consultant Coordinator	\$74.00
Consultant	\$66.00
Project Officer	\$50.00

For example the coordination of the Avon Descent Family Fun Fays project requires approximately 480 hours per year which would equate to a consultancy cost of \$35,520 for a coordinator. If the cost of this was solely borne by the three Councils (i.e. the Cities of Belmont, Bayswater and Swan) who currently receive the direct benefits of the Avon Descent grant, the fee for each Council would be in the order of \$11,840.

The issue with a fee for service arrangement will be the ability to achieve a level of continuity in work loads that will enable the EMRC to retain a staffing complement. If workload demands from member Councils fluctuate and projects are not forthcoming, the EMRC will be funding the salary costs and hence taking the risk burden.

This option would require some level of certainty and commitment from member Councils that project requirements will be provided annually to the EMRC for scoping prior to budget processes each year.

4. Cease all regional tourism servicing

Council and member Councils may choose to cease all regional tourism collaboration and responsibility will then again rest with individual member Councils to manage their own tourism programs.

This decision would result in the Avon Descent Family Fun Days and the Perth's Autumn Festival requiring a member Council to be willing to take on the coordinating role for all member Councils involved or to move to an outsourcing contract with a suitable contractor. This would still require one of the member Councils being willing to manage the contract.

Should it be determined that the regional tourism program be disbanded the following benefits will be lost:

- Development, ongoing upgrading and maintenance of the destination promotion online tool www.perthtourism.com.au;
- Promotion of regional and local events through production and maintenance of a dynamic version of the calendar of events online;
- The ability to leverage opportunities from State and Federal Government initiatives such as positioning ten of the Region's trails in the State's Top Trails website in 2009;
- The ability to leverage value for money promotional deals with State agencies such as Experience Perth due to the ability of the EMRC to combine the Region's advertising effort and gain economies of scale;
- Developing funding applications to submit to State and Federal bodies (i.e. TQUAL) to undertake tourism related infrastructure and research projects;



Item 9.2 continued

- Coordinating regional submissions on government policy impacting on the Region's tourism potential;
- Ongoing procurement and coordination of the \$250,000 Lotterywest grant;
- Development and promotion of umbrella regional events including Avon Descent Family Fun Days and the Perth's Autumn Festival;
- Ongoing advocacy and raising the profile of tourism potential in Perth's Eastern Region to ensure major tourism developments occur such as the Mundaring Weir project;
- Loss of over ten years of credibility, knowledge, experience and recognition built up by the EMRC in its pursuit of regional tourism development; and
- Loss of support for strategic initiatives being pursued by member Councils through their local economic and tourism strategies. For example the *City of Swan's Economic Vision and Strategy 2010 – Action 1.8 Continue to Resource, Progress and Monitor the City of Swan Tourism Implementation Plan (Adding Value) Through Tourism as a Priority* cites the EMRC as a partnering agency in achieving its tourism goals.

5. Combine Regional Tourism with Regional Economic Development

The EMRC has recently developed and adopted its Regional Economic Development Strategy 2010 - 2015. This strategy contains a focus area called 'Work Hard, Play Hard', which seeks to protect, improve and promote the liveability of the region through the effective supply of diversity in housing and accommodation, education, health culture and vibrancy to attract workers to live and enjoy the Region. Elements of the regional tourism program could be folded into the pursuit of economic development outcomes. The local attractions contained in the Region when used effectively for investment attraction can complement regional endeavours in economic development.

Member Councils may choose to therefore focus on economic development and to provide funding to the EMRC to assist with the implementation of the Regional Economic Development Strategy rather than funding tourism development.

The options outlined above provide a starting point for discussion with member Councils. The list is not exhaustive and member Councils may have other options they wish to consider. The aim of this report is for member Councils to provide feedback to the Council on their preferred way forward for regional tourism and this information can then be relayed to EMRC for implementation.

Finally it should be noted that other regions in the Perth metropolitan area are increasing their tourism development efforts and this will provide more local competition for Perth's Eastern Region's tourism precincts. For example the Cities of Joondalup, Wanneroo and Stirling are forming a regional tourism group to develop a regional tourism strategy for the North West corridor. This will create greater impetus for the Visitors, Friends and Relatives (VFR) market to increase their visitation spend in that region which will in turn place more pressure on local tourism operators in the Swan Valley, Perth Hills and Swan River tourism precincts.

STRATEGIC/POLICY IMPLICATIONS

This report aligns with Objective 2.1 of the EMRC's Strategic Plan for the Future 2010/2011 to 2013/2014 – To facilitate regional tourism development.

Key Result Area 2 – Social Opportunities

2.1 To facilitate regional tourism development



Item 9.2 continued

Key Result Area 3 – Economic Development

3.1 To facilitate increased investment in regional infrastructure

Key Result Area 4 – Good Governance

4.4 To manage partnerships and relationships with stakeholders

FINANCIAL IMPLICATIONS

The Regional Tourism Program, under option 1, if it is continued (i.e. in its current form and without a financial contribution from the City of Swan), would require the five remaining member Councils to contribute the following amounts in 2011/2012:

2010/2011	LGA	2011/2012	Increase
\$11,628	Town of Bassendean	\$13,221	+\$1,593
\$23,673	City of Bayswater	\$29,555	+\$5,882
\$19,059	City of Belmont	\$25,277	+\$6,218
\$19,277	Shire of Kalamunda	\$26,055	+\$6,778
\$17,017	Shire of Mundaring	\$22,555	+\$5,538

SUSTAINABILITY IMPLICATIONS

Tourism supports sustainability as an economic development stimulator, providing for local employment and also generating income to support gross regional product. Tourism destinations also serve as a community asset that provides for a local community to enjoy high quality recreation facilities which enhances lifestyle outcomes.

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

Information in relation to the revised level of funding required from member Councils for the integration of Perth's Autumn Festival, the Avon Descent, the Hills Trails Promotion and the Perth Tourism Website under the umbrella of the existing economic development project will be scoped, and forwarded to member Council Chief Executive Officers for their consideration and feedback to the EMRC.

ATTACHMENT(S)

Nil

VOTING REQUIREMENT

Simple Majority



Item 9.2 continued

RECOMMENDATION(S)

That the Chief Executive Officers Advisory Committee determine a preferred option for the regional tourism service provided by the Eastern Metropolitan Regional Council.

Discussion ensued

The CEO summarised the report and outlined the issues that needed to be considered as a result of the City of Swan's decision to withdraw from the Regional Tourism Program effective from 1 July 2011 and summarised the options for the future direction of regional tourism within Perth's Eastern Region.

After considerable discussion the Committee decided that Option 5 was the preferred option with the inclusion of Perth's Autumn Festival, the Avon Descent and the Perth Tourism Website and these services were to be costed out and provided to the member Councils.

CEOAC RECOMMENDATION(S)

MOVED MR TRAIL

SECONDED MR JARVIS

That Option 5 be the preferred option with the inclusion of Perth's Autumn Festival, the Avon Descent and the Perth Tourism Website and these services be costed out and provided to the member Councils.

CARRIED UNANIMOUSLY

Cr Godfrey moved the recommendation but outlined her concerns about the ability of member Councils to opt in or out of program and stated that the EMRC needed to have contracts with defined amounts and timeframes. Cr Godfrey stated that the Avon Descent only impacted on three of the member Councils but all member Councils contributed in order to attract the Lotterywest grant of \$250 million. Cr Godfrey was also concerned that the Perth Tourism Website would be promoting the Swan Valley despite the City of Swan not contributing towards the program.

Cr Lindsey referred to the CEOAC recommendation and asked if there had been any discussion by the CEOs about costing the trails promotion or other projects that impact on the Shire of Kalamunda. The CEO advised that it was not raised as something the CEOs wished to include.

Cr Lindsey foreshadowed an amendment that costing for the trails promotion be included.

Considerable discussion ensued with Council considering the following issues:

- Continuing services – member Councils need to follow a process to withdraw which takes at least 18 months and the City of Swan had followed the process;
- The services recommended by the CEOAC to be costed were considered on the basis that they were services that the majority of member Councils would benefit from;
- If all regional tourism options were to continue after the City of Swan's withdrawal then the remaining five member Councils would need to contribute more funds. The CEOs had indicated they weren't prepared to fund all of them so Option 5 was a compromise with three activities to be costed for consideration by all member Councils;
- Using the EMRC as a collective group on behalf of the member Councils provides greater leverage to gain more funding;



Item 9.2 continued

Cr Lindsey stated that there had been a lot of debate on points other than the recommendations and asked what the process would be if regional tourism and economic development were combined and regional services identified for inclusion were costed out. The CEO advised that costings would be completed and distributed to the member Councils next week with a view to tabling the costings with their respective Councils for a decision on whether or not to support them in term's of the 2011/2012 budget. If the recommendation was not supported by the City of Swan it would leave five (5) member Councils to fund the services and more member Councils may decide to withdraw but this would require at least 12 months' notice. Even with the proper withdrawal notice the EMRC may have costs associated with the withdrawal from the member Council(s) and any liability may have to be met by the withdrawing member Councils.

AMENDMENT

Cr Lindsey moved an amendment to the motion to include 'the hills trails promotion'.

Cr Godfrey stated that each of the services identified by the CEOAC involved between three and six of the member Councils in some way and asked the CEO if there were any issues with including the hills trails promotion in the recommendation. The CEO advised that the cost of the program would have to be calculated and provided to the member Council CEOs to take back to their respective Councils to consider their commitment to the program.

The amendment was seconded by Cr Powell.

Cr Färdig spoke to the amendment, advising that he was happy to include the hills trails promotion as it was two separate processes. Council could make the decision tonight but it would still be referred back to the individual member Councils to make a decision.

Cr Radford supported the amendment but queried whether the economic development costings for the Region would change if regional tourism and economic development were combined. The CEO advised that the economic development costings were currently funded by the EMRC but the costings for the inclusion of the regional services would be by contributions from the member Councils.

Cr Pilgrim supported Option 5 but was perturbed that Council had spent so much time on discussion when the City of Swan had followed the process for withdrawal to the letter and he moved that the motion be put.

COUNCIL RESOLUTION

MOVED CR PILGRIM

SECONDED CR LINDSEY

THAT THE MOTION BE PUT.

CARRIED UNANIMOUSLY

The substantive motion included the amendment.

COUNCIL RESOLUTION

MOVED CR LINDSEY

SECONDED CR POWELL

THAT OPTION 5 BE THE PREFERRED OPTION WITH THE INCLUSION OF PERTH'S AUTUMN FESTIVAL, THE AVON DESCENT, THE HILLS TRAILS PROMOTION AND THE PERTH TOURISM WEBSITE AND THESE SERVICES BE COSTED OUT AND PROVIDED TO THE MEMBER COUNCILS.

CARRIED UNANIMOUSLY



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

Nil

11 GENERAL BUSINESS

11.1 EVENTS IN THE REGION

7 August 2011	City of Bayswater	Avon Descent
13 August 2011	City of Bayswater	Mayoral Dinner
17 September 2011	City of Belmont	Mayoral Dinner

11.2 OTHER GENERAL BUSINESS

Nil

12 FUTURE MEETINGS OF THE CHIEF EXECUTIVE OFFICERS ADVISORY COMMITTEE

The next meeting of the Chief Executive Officers Advisory Committee will be held on **12 July 2011** at the City of Belmont, 215 Wright Street, Cloverdale WA 6105 commencing at 12.30pm with lunch at 12noon.

Chief Executive Officers' Advisory Committee (CEOAC) meetings commencing at 12noon:

Tuesday	9	August	at	EMRC Administration Office
Tuesday	13	September (informal)	at	City of Swan
Tuesday	11	October	at	EMRC Administration Office
Tuesday	22	November (informal)	at	City of Bayswater

13 DECLARATION OF CLOSURE OF MEETING

There being no further business the meeting was closed at 2.35pm.



16 REPORTS OF DELEGATES

Nil

17 MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

18 NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE CHAIRMAN OR PERSON PRESIDING OR BY DECISION OF MEETING

Nil

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

RECOMMENDATION (Closing meeting to the public)

That with the exception of, 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.

COUNCIL RESOLUTION

MOVED CR PULE

SECONDED CR LINDSEY

THAT WITH THE EXCEPTION OF THE CHIEF EXECUTIVE OFFICER, THE ACTING DIRECTOR REGIONAL SERVICES AND THE PERSONAL ASSISTANT TO THE DIRECTOR CORPORATE SERVICES THE MEETING BE CLOSED TO MEMBERS OF THE PUBLIC IN ACCORDANCE WITH SECTION 5.23 (2) (A) (B) (C) AND (E) OF THE LOCAL GOVERNMENT ACT FOR THE PURPOSE OF DEALING WITH MATTERS OF A CONFIDENTIAL NATURE.

CARRIED UNANIMOUSLY

The doors of the meeting were closed at 7.32pm and members of the public departed the Council Chambers.

The Chief Executive Officer, the Acting Director Regional Services and the Personal Assistant to the Director Corporate Services remained in the Council Chambers.

19.1 ITEM 13.1 OF THE CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW COMMITTEE MINUTES - THE CHIEF EXECUTIVE OFFICER'S ANNUAL PERFORMANCE REVIEW, CONTRACT REVIEW AND REMUNERATION REVIEW PROCESS

REFERENCE: COMMITTEES-12407

The Council considered the Confidential Item circulated with the Agenda under Separate Cover.



Item 19 continued

19.2 ITEM 10.1 OF THE RESOURCE RECOVERY COMMITTEE MINUTES - RESOURCE RECOVERY FACILITY - ACCEPTABLE TENDERERS

REFERENCE: COMMITTEES-12529

The Council considered the Confidential Item circulated with the Agenda under Separate Cover.

RECOMMENDATION [Meeting re-opened to the public]

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

COUNCIL RESOLUTION

MOVED CR FÄRDIG

SECONDED CR PILGRIM

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

CARRIED UNANIMOUSLY

The Director Corporate Services, the Manager Project Development and the Executive Assistant to the CEO returned to Council Chambers at 7.37pm.

Recording of the resolutions passed behind closed doors, namely:

19.1 ITEM 13.1 OF THE CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW COMMITTEE MINUTES - THE CHIEF EXECUTIVE OFFICER'S ANNUAL PERFORMANCE REVIEW, CONTRACT REVIEW AND REMUNERATION REVIEW PROCESS

REFERENCE: COMMITTEES-12407

COUNCIL RESOLUTION(S)

MOVED CR FÄRDIG

SECONDED CR POWELL

THAT:

1. COUNCIL APPOINT MR JOHN PHILLIPS FROM WORKPLACE SOLUTIONS WALGA TO FACILITATE THE CHIEF EXECUTIVE OFFICER'S PERFORMANCE REVIEW PROCESS FOR A THREE YEAR PERIOD BEING 2011, 2012 AND 2013.
2. COUNCIL ENDORSE THE METHODOLOGY UNDERTAKING THE CHIEF EXECUTIVE OFFICER'S PERFORMANCE REVIEW PROCESS FOR 2011 AS OUTLINED WITHIN THIS REPORT.
3. COUNCIL SELECT OPTION 1 AS THE TIMETABLE FOR THE CHIEF EXECUTIVE OFFICER'S PERFORMANCE REVIEW PROCESS FOR 2011 AS OUTLINED WITHIN THIS REPORT.
4. THE REPORT AND ATTACHMENTS REMAIN CONFIDENTIAL AND BE CERTIFIED BY THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER.

CARRIED UNANIMOUSLY



19.2 ITEM 10.1 OF THE RESOURCE RECOVERY COMMITTEE MINUTES - RESOURCE RECOVERY FACILITY - ACCEPTABLE TENDERERS

REFERENCE: COMMITTEES-12529

COUNCIL RESOLUTION(S)

MOVED CR FÄRDIG

SECONDED CR LINDSEY

THAT:

1. COUNCIL NOTES THE ADVICE FROM SITA ENVIRONMENTAL SOLUTIONS AND WSN ENVIRONMENTAL SOLUTIONS OF THEIR INTENTION TO WITHDRAW FROM THE TENDER PROCESS FOR THE EMRC RESOURCE RECOVERY FACILITY.
2. THE LIST OF ACCEPTABLE TENDERERS BE AMENDED TO REMOVE SITA ENVIRONMENTAL SOLUTIONS AND WSN ENVIRONMENTAL SOLUTIONS.
3. SITA ENVIRONMENTAL SOLUTIONS BE ADVISED OF COUNCIL'S ACKNOWLEDGEMENT OF BOTH SITA ENVIRONMENTAL SOLUTIONS AND WSN ENVIRONMENTAL SOLUTION'S WITHDRAWAL FROM THE EMRC RESOURCE RECOVERY FACILITY TENDER PROCESS.
4. THE REPORT AND ATTACHMENTS REMAIN CONFIDENTIAL AND BE CERTIFIED BY THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER.

CARRIED UNANIMOUSLY

20 FUTURE MEETINGS OF COUNCIL

The next meeting of Council will be held on **Thursday 21 July 2011 (if required)** at the EMRC Administration Office, 1st Floor, Ascot Place, 226 Great Eastern Highway, Belmont WA 6104 commencing at 6.00pm.

Future Meetings 2011

Thursday	21 July (if required)	at	EMRC Administration Office
Thursday	18 August	at	EMRC Administration Office
Thursday	22 September (if required)	at	EMRC Administration Office
Thursday	20 October	at	EMRC Administration Office
Thursday	8 December	at	EMRC Administration Office
January 2012 (recess)			

21 DECLARATION OF CLOSURE OF MEETING

There being no further business, the meeting was closed at 7.37pm.