



Special Meeting of Council

AGENDA

to be held on
Thursday, 23 January 2020
at **6:00pm**, at the
EMRC Administration Office
1st Floor, 226 Great Eastern Highway
BELMONT WA 6104

Meeting Room: Council Chambers

*** Please note that a meal will be provided ***

**EASTERN METROPOLITAN REGIONAL COUNCIL
SPECIAL MEETING OF COUNCIL**

NOTICE OF MEETING

Dear Councillors

I wish to advise that a Special Meeting of Council will be held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 23 January 2020**, commencing at **6:00pm**.



MARCUS GEISLER
Chief Executive Officer

17 January 2020

Please Note

If any Councillor/officer has a **query regarding a report item** or requires additional information in relation to a report item, please **contact the responsible Officer** (SOURCE OF REPORT) prior to the meeting.

EMRC Council Members

Cr Jai Wilson (Chairman)	EMRC Member	Town of Bassendean
Cr Doug Jeans (Deputy Chairman)	EMRC Member	Shire of Mundaring
Cr Kathryn Hamilton	EMRC Member	Town of Bassendean
Cr Lorna Clarke	EMRC Member	City of Bayswater
Cr Giorgia Johnson	EMRC Member	City of Bayswater
Cr Janet Powell	EMRC Member	City of Belmont
Cr Steve Wolff	EMRC Member	City of Belmont
Cr Lesley Boyd	EMRC Member	City of Kalamunda
Cr Dylan O'Connor	EMRC Member	City of Kalamunda
Cr John Daw	EMRC Member	Shire of Mundaring
Cr Mel Congerton	EMRC Member	City of Swan
Cr Charlie Zannino	EMRC Member	City of Swan

EMRC Council Deputies

Cr Hilary MacWilliam	EMRC Deputy Member	Town of Bassendean
Cr Filomena Piffaretti	EMRC Deputy Member	City of Bayswater
Cr Phil Marks	EMRC Deputy Member	City of Belmont
Cr Cameron Blair	EMRC Deputy Member	City of Kalamunda
Cr Amy Collins	EMRC Deputy Member	Shire of Mundaring
Cr Ian Johnson	EMRC Deputy Member	City of Swan

SPECIAL MEETING OF COUNCIL

AGENDA

23 January 2020

(REF: D2019/18623)

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

3 DISCLOSURE OF INTERESTS

4 ANNOUNCEMENTS BY THE CHAIRMAN OR PERSON PRESIDING WITHOUT DISCUSSION

5 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

6 PUBLIC QUESTION TIME

7 APPLICATIONS FOR LEAVE OF ABSENCE

8 PETITIONS, DEPUTATIONS AND PRESENTATIONS

Nil

9 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

10 QUESTIONS BY MEMBERS WITHOUT NOTICE



11 ANNOUNCEMENT OF CONFIDENTIAL MATTERS FOR WHICH MEETINGS MAY BE CLOSED TO THE PUBLIC

Nil

12 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



13 REPORTS OF EMPLOYEES

13.1 CONTAINER DEPOSIT SCHEME (CDS) REFUND AND AGGREGATION POINTS

REFERENCE: D2020/00064

PURPOSE OF REPORT

The purpose of this report is to update Council on the progress of the EMRC's involvement in the Container Deposit Scheme (CDS) and seek Council approval to fund the approved Refund and Aggregation Points and enter into a contract with WARRRL as well as any ancillary agreement to implement this Business Plan.

KEY POINTS AND RECOMMENDATION(S)

- EMRC staff prepared a report for the 5 December 2019 Council meeting, updating Council on the status of the CDS at that time and the need to move quickly should the EMRC's bid for Refund/Aggregation Points be successful.
- The EMRC was advised by the Container Deposit Scheme Coordinator (Western Australia Return Recycle Renew Limited (WARRRL)) in late December 2019 of its success in the EMRC's application for nominated Refund Point/Aggregation Points.
- WARRRL has set the signing date for the various Refund Point Agreements on Friday 31 January 2020.
- In accordance with the Council report from its 5 December 2019 meeting, a Business Plan has been prepared for the CDS Refund/Aggregation Points including identifying expenditure that was not included in the approved 2019/2020 budget, such funding to be provided from the Secondary Waste Reserve.
- The EMRC will need to proceed immediately to establish land use agreements, acquire/lease plant, equipment and infrastructure and enter into a contract with WARRRL to operate Refund/Aggregation Points in order to meet the CDS start-up date of 2 June 2020.

Recommendations

That Council:

1. Approves the attached Container Deposit Scheme (CDS) Refund and Aggregation Points Business Plan 2020 forming a confidential attachment to this report.
2. By absolute majority, approves unbudgeted expenditure from the Secondary Waste Reserve, to the maximum value of \$3,570,000 ex GST for relevant CDS plant, equipment and infrastructure.
3. Authorises the CEO to enter into the Refund Point Agreement with WARRRL for the nominated Refund/Aggregation Points as outlined in the Business Plan.
4. Authorises the CEO to enter into any land use agreement(s) as required as part of the Business Plan.

SOURCE OF REPORT

Chief Executive Officer



Item 13.1 continued

BACKGROUND

The EMRC member Councils have approved the EMRC taking the lead role for the CDS.

Submissions were lodged with WARRRL by the due dates and the EMRC was shortlisted to be a Refund Point/Aggregation Point for the CDS.

Council, at its meeting of 5 December 2019 resolved as follows:

“THAT COUNCIL NOTES THE POSSIBLE REQUIREMENT FOR A SPECIAL COUNCIL MEETING IN DECEMBER 2019 TO APPROVE A BUSINESS PLAN AND CAPITAL EXPENDITURE FOR THE IMPLEMENTATION OF A PROJECT TO REPURPOSE THE HAZELMERE COMMERCIAL & INDUSTRIAL WASTE SORTING PLANT TO BE A PROCESSING PROVIDER UNDER THE CONTAINER DEPOSIT SCHEME AND ALSO A REFUND POINT/AGGREGATION POINT.”

REPORT

In mid-December 2019 WARRRL advised the EMRC of its unsuccessful bid as the CDS Processing Provider and later in December 2019 WARRRL advised the EMRC of its successful bid to coordinate, operate and fund eight various CDS Refund/Aggregation Points through Perth's Eastern Region and two refund points in the Wheatbelt Region of WA, with the requirement that all approved sites will be operational at the start of the CDS on 2 June 2020.

The approved sites include the following:

Facility	Address	Type of Approved Site
Hazelmere Resource Recovery Park	77 Lakes Road Hazelmere	Over the counter
Red Hill Waste Management Facility	1094 Toodyay Road Red Hill	Over the counter
Mundaring Community Recycling Centre	Coppin Road (Lot 385) Mundaring	Drop Off
Mundaring Community Recycling Centre	Mathieson Road Chidlow	Drop Off
Bullsbrook Recycling Centre	121 Stock West Road Bullsbrook	Drop Off
Ellenbrook Place Office	Library Avenue Ellenbrook	Reverse Vending Machine
Hawaiian Shopping Centre	20 Strelitzia Ave Forrestfield	Reverse Vending Machine
Mobile Operator	Haynes Street Mall Kalamunda	Mobile collection
Gingin Men's Shed	3 Horan Street Gingin	Over the counter
Merredin Community Resource Centre	110 Barrack Street Merredin	Over the counter

The EMRC is now in negotiation with WARRRL regarding the contract for the various approved Refund Point/Aggregation Point sites as identified in the CDS Business Plan (attached). It has been negotiated with WARRRL that the Gingin and Merredin sites will be the subject of direct contracts with WARRRL.

Commencement of the procurement process and/or leasing of required plant, equipment and infrastructure will need to occur in late January 2020 or early February 2020 in order to be ready for the 2 June 2020 commencement date of CDS.

This special Council meeting has been convened to approve the attached confidential Business Plan and expenditure that was not included in the approved 2019/2020 budget, with such funding to be provided from the Secondary Waste Reserve and to authorise the CEO to enter into the Refund Point Agreement with WARRRL and establish land use agreements.

The Business Plan is marked as confidential due to its commercial-in-confidential nature.



Item 13.1 continued

WARRRL have scheduled the various Refund Point Agreements to be signed on Friday 31 January 2020. A draft Refund Point Agreement has been received and the EMRC is in the process of completing the various schedules to the agreement in conjunction with the WARRRL Contract Manager so that a completed Refund

Point Operator contract can be sent to the EMRC for signing. The contract is for an initial term of five (5) years with a two (2) year extension option. The EMRC's lawyers have reviewed the draft contract and are satisfied with the intent.

For the Refund Point/Aggregation Point(s), infrastructure will include shed/drive through facilities constructed at the Hazelmere Resource Recovery Park and at the Red Hill Waste Management Facility together with the required plant and equipment, all of which is detailed in the Business Plan.

The EMRC is in the process of recruiting a CDS Coordinator to oversee the implementation of the Refund Point/Aggregation Point sites and will recruit other staff stipulated in the Business Plan as required.

Discussions are also being held with the WARRRL Contract Manager and relevant member Council staff regarding the location of refund point facilities and the type of facilities.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 1 – Environmental Sustainability

- 1.1 To provide sustainable waste disposal services
- 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 CDS project was not included in the approved budget for 2019/2020 because the EMRC did not have sufficient information in early 2019 to formulate a budget item.

Capital expenditure on CDS implementation is expected to be up to \$3,570,000 ex GST which includes a 10% contingency allowance. This amount will be expended by 2 June 2020 ready for the scheme commencement. This capital amount can be funded from the Secondary Waste Reserve. Operational expenditure including staff wages and salaries will be funded from CDS operations with surplus cash flow being deposited back into the Secondary Waste Reserve.

SUSTAINABILITY IMPLICATIONS

The implementation of a CDS is an important aspect of the State Government's Waste Strategy and its waste reduction targets and is therefore an important part of the EMRC's waste reduction strategy and environmental sustainability. Furthermore, the Western Australian Scheme includes objectives that strongly encourage the employment of disadvantaged people, long-term unemployed and Indigenous people which will result in socio-economic benefits for the region.

CDS will also contribute to reducing littering and containers ending up in the environment and affecting wildlife and amenity within the Eastern Region.

The CDS will provide a 10 cent deposit refund and a 6 cent (ex GST) handling fee per eligible container. The requirement to separate containers into up to 11 materials streams will result in a higher quality recyclable material due to less contamination and careful sorting at time of collection. The EMRC refund points are limited to receive and sort. Sorted materials are then collected by WARRRL and processed by a third party site.



Item 13.1 continued

Any economic benefit obtained through the scheme in the way of handling fees and a container collection service will remain in the region and in particular will create revenue streams for local schools/community/social/sporting and service groups.

The success for the scheme will rely on the suitability and convenience of refund points. The State return target is 85%.

MEMBER COUNCIL IMPLICATIONS

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

CONFIDENTIAL ATTACHMENT(S)

The CDS Refund Points Business Plan 2020 (Ref: D2020/00554)

VOTING REQUIREMENT

Absolute Majority

RECOMMENDATION(S) (update recommendation)

That Council:

1. Approves the attached Container Deposit Scheme (CDS) Refund and Aggregation Points Business Plan 2020 forming a confidential attachment to this report.
2. By absolute majority, approves unbudgeted expenditure from the Secondary Waste Reserve, to the maximum value of \$3,570,000 ex GST for relevant CDS plant, equipment and infrastructure.
3. Authorises the CEO to enter into the Refund Point Agreement with WARRRL for the nominated Refund/Aggregation Points as outlined in the Business Plan.
4. Authorises the CEO to enter into any land use agreement(s) as required as part of the Business Plan.

COUNCIL RESOLUTION(S)

MOVED CR

SECONDED CR



13.2 DELEGATION OF AUTHORITY TO THE CHIEF EXECUTIVE OFFICER (CEO)

REFERENCE: D2019/18604

PURPOSE OF REPORT

The purpose of this report is to seek Council approval for the Chief Executive Officer (CEO) to be delegated authority to acquire any asset up to the value of \$400,000 ex GST in relation to the implementation of the Container Deposit Scheme (CDS) Refund and Aggregation points.

KEY POINTS AND RECOMMENDATION(S)

- The EMRC was advised by the CDS Coordinator (Western Australia Return Recycle Renew Limited (WARRRL)) in late December 2019 of its success in the EMRC's application for nominated Refund and Aggregation Points.
- The EMRC will need to proceed immediately to acquire plant and equipment in order to meet the start-up date of 2 June 2020.
- Approval for the expenditure on the CDS implementation is subject to a separate report at this meeting.
- Council has previously delegated authority to the CEO to accept tenders to \$400,000 ex GST (delegation no. C5/2016).
- If an exemption from tender requirements is utilised under r. 11(2)(e) of the *Local Government (Functions and General) Regulations 1996*, then the delegation no. C5/2016 does not extend to purchases outside of a tender.
- In order to avoid the necessity to hold a special meeting(s) of Council, it would be more efficient to delegate an authority to the CEO to acquire any asset up to the value of \$400,000 ex GST in relation to the CDS implementation.

Recommendations

That Council, by absolute majority, in accordance with 5.42(1) of the *Local Government Act 1995* delegates authority to the Chief Executive Officer to acquire any asset up to the value of \$400,000 ex GST in relation to implementation of the Container Deposit Scheme.

SOURCE OF REPORT

Chief Financial Officer



Item 13.2 continued

BACKGROUND

At the Ordinary meeting of Council on 24 March 2016, Council resolved that (Ref: D2016/03708):

3. *BY ABSOLUTE MAJORITY IN ACCORDANCE WITH SECTION 5.45 OF THE LOCAL GOVERNMENT ACT 1995, AMENDS DELEGATION C1/2014 INCREASING THE AUTHORITY LIMIT OF THE CHIEF EXECUTIVE OFFICER TO ACCEPT TENDERS TO \$400,000 EXCLUDING GST.*

The delegation was provided to assist and support Council having to not deal with lower value tenders, allowing Council to focus on the more strategic and higher value procurement decisions.

This delegation is subject to the tender being for a budgeted purpose, as approved by Council in the annual budget setting process.

REPORT

Council has currently delegated authority for the CEO to accept tenders up to \$400,000 excluding GST under delegation no. C5/2016. This delegation applies to accepting the procurement of goods and/or services specifically from tenders only.

If an exemption from tender requirements is utilised under r. 11(2)(e) of the *Local Government (Functions and General) Regulations 1996*, then the delegation C5/2016 does not extend to purchases outside of a tender. That means that the CEO currently does not have the delegated power to purchase any items above \$150,000 up to \$400,000 unless the purchase is under a tender.

This matter will be especially pertinent with the implementation on the Container Deposit Scheme. The EMRC will need to commence the procurement of plant and equipment in order to be ready for the 2 June 2020 commencement date of CDS. This will create a challenge unless authority is provided to the CEO with delegated power to acquire assets up to the value of \$400,000 ex GST for Container Deposit Scheme implementation.

The Container Deposit Scheme was not included in the approved budget for 2019/2020 because the EMRC did not have sufficient information in early 2019 to formulate a budget item. Authority for the expenditure is sought from Council in a separate report at this meeting.

Therefore, Council approval is sought for delegated authority to the CEO to acquire any assets (plant and equipment items) up to the value of \$400,000 ex GST in relation to the implementation of the CDS Refund and Aggregation Points Business Plan. The tender regulations will still apply to any such acquisitions.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 1 – Environmental Sustainability

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

FINANCIAL IMPLICATIONS

Expenditure on the Container Deposit Scheme implementation is subject to Council approval, the matter which is dealt with in a separate report at this meeting.



Item 13.2 continued

SUSTAINABILITY IMPLICATIONS

The implementation of a Container Deposit Scheme is an important aspect of the State Government's Waste Strategy and its waste reduction targets and is therefore an important part of the EMRC's waste reduction strategy and environmental sustainability.

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

Nil

VOTING REQUIREMENT

Absolute Majority

RECOMMENDATION(S)

That Council, by absolute majority, in accordance with 5.42(1) of the *Local Government Act 1995* delegates authority to the Chief Executive Officer to acquire any asset up to the value of \$400,000 ex GST in relation to implementation of the Container Deposit Scheme.

COUNCIL RESOLUTION(S)

MOVED CR

SECONDED CR



14 NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE CHAIRMAN OR PRESIDING MEMBER OR BY DECISION OF MEETING

In accordance with *EMRC Standing Orders Local Law 2013* Clause 4.1(2), no business is to be transacted at a special meeting of Council other than that given in the notice as the purpose of the meeting.

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

Nil

16 FUTURE MEETINGS OF COUNCIL

The next Ordinary meeting of Council will be held on **Thursday, 20 February 2020** at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, Belmont WA 6104 commencing at 6:00pm.

Future Meetings 2020

January (recess)

Thursday	20 February	at	EMRC Administration Office
Thursday	19 March	at	EMRC Administration Office
Thursday	23 April (if required)	at	EMRC Administration Office
Thursday	21 May (if required)	at	EMRC Administration Office
Thursday	18 June	at	EMRC Administration Office
Thursday	23 July (if required)	at	EMRC Administration Office
Thursday	20 August (if required)	at	EMRC Administration Office
Thursday	17 September	at	EMRC Administration Office
Thursday	22 October (if required)	at	EMRC Administration Office
Thursday	3 December	at	EMRC Administration Office

January 2021 (recess)

17 DECLARATION OF CLOSURE OF MEETING