

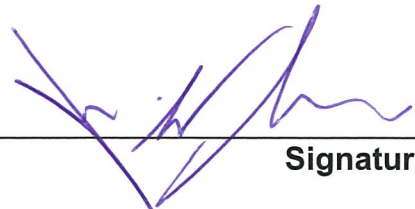


## MINUTES

### CERTIFICATION OF CONFIRMATION OF COUNCIL MEETING MINUTES

23 January 2020

I, Cr Jai Wilson, hereby certify that the minutes from the Special Council Meeting held on 23 January 2020 pages (1) to (10) were confirmed at a meeting of Council held on 20 February 2020.



---

**Signature**

Cr Jai Wilson  
**Person presiding at Meeting**



# **MINUTES**

Special Meeting of Council

**23 JANUARY 2020**

## SPECIAL MEETING OF COUNCIL

### MINUTES

23 January 2020

(REF: D2019/18623)

A Special Meeting of Council was held at the EMRC Administration Office, 1<sup>st</sup> Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 23 January 2020**. The meeting commenced at **6:01pm**.

### TABLE OF CONTENTS

---

1	<b>DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS</b>	1
2	<b>ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE (PREVIOUSLY APPROVED)</b>	1
3	<b>DISCLOSURE OF INTERESTS</b>	1
4	<b>ANNOUNCEMENTS BY THE CHAIRMAN OR PRESIDING MEMBER WITHOUT DISCUSSION</b>	2
5	<b>RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE</b>	2
6	<b>PUBLIC QUESTION TIME</b>	2
7	<b>APPLICATIONS FOR LEAVE OF ABSENCE</b>	2
	7.1 <i>CR CONGERTON - LEAVE OF ABSENCE</i>	2
8	<b>PETITIONS, DEPUTATIONS AND PRESENTATIONS</b>	2
9	<b>QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN</b>	3
10	<b>QUESTIONS BY MEMBERS WITHOUT NOTICE</b>	3
11	<b>ANNOUNCEMENT OF CONFIDENTIAL MATTERS FOR WHICH MEETINGS MAY BE CLOSED TO THE PUBLIC</b>	3
12	<b>BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING</b>	3
13	<b>REPORTS OF EMPLOYEES</b>	4
	13.1 <i>CONTAINER DEPOSIT SCHEME (CDS) REFUND AND AGGREGATION POINTS (Ref: D2020/00064)</i>	4
	13.2 <i>DELEGATION OF AUTHORITY TO THE CHIEF EXECUTIVE OFFICER (CEO) (Ref: D2020/18604)</i>	10
14	<b>NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE CHAIRMAN OR PRESIDING MEMBER OR BY DECISION OF MEETING</b>	10
15	<b>CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC</b>	10
16	<b>FUTURE MEETINGS OF COUNCIL</b>	10
17	<b>DECLARATION OF CLOSURE OF MEETING</b>	10

---



## 1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 6:01pm, welcomed visitors and acknowledged the traditional custodians of the land on which the meeting was held and paid respects to the elders past, present and future.

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

### Councillor Attendance

Cr Jai Wilson ( <b>Chairman</b> )	EMRC Member	Town of Bassendean
Cr Doug Jeans ( <b>Deputy Chairman</b> )	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 Steve Wolff	EMRC Member	City of Belmont
Cr Phil Marks (Deputising for Cr Powell)	EMRC Deputy 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

### Apologies

Cr Janet Powell	EMRC Member	City of Belmont
Cr Hilary MacWilliam	EMRC Deputy Member	Town of Bassendean

### EMRC Officers

Mr Marcus Geisler	Chief Executive Officer
Mr Hua Jer Liew	Chief Financial Officer
Mr Steve Fitzpatrick	Chief Project Officer
Mrs Wendy Harris	Chief Sustainability Officer
Ms Theresa Eckstein	Executive Assistant to Chief Executive Officer (Minutes)

### EMRC Observers

Mr David Ameduri	Manager Financial Services
Mr David Schmidt	Manager Information Services

### Observer(s)

Cr Filomena Piffaretti	EMRC Deputy Member	City of Bayswater
Cr Ian Johnson	EMRC Deputy Member	City of Swan
Mr Doug Pearson	Director Works and Infrastructure	City of Bayswater
Ms Melanie Reid	Director Infrastructure Services	City of Belmont

## 3 DISCLOSURE OF INTERESTS

Nil



**4 ANNOUNCEMENTS BY THE CHAIRMAN OR PERSON PRESIDING WITHOUT DISCUSSION**

Nil

**5 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil

**6 PUBLIC QUESTION TIME**

Nil

**7 APPLICATIONS FOR LEAVE OF ABSENCE**

**7.1 CR MEL CONGERTON - LEAVE OF ABSENCE**

**COUNCIL RESOLUTION(S)**

MOVED CR ZANNINO

SECONDED CR HAMILTON

THAT COUNCIL APPROVE APPLICATION FOR LEAVE OF ABSENCE FOR CR CONGERTON FROM 15 FEBRUARY 2020 TO 2 MARCH 2020 INCLUSIVE.

**CARRIED UNANIMOUSLY**

**8 PETITIONS, DEPUTATIONS AND PRESENTATIONS**

The Chief Executive Officer, Marcus Geisler gave a presentation outlining the past, present and future of the EMRC, including business as usual and the EMRC 3 Horizons.

**Question** Cr Wolff asked if the presentation could be made available to member Councils.

**Response** The CEO advised onsite presentation will start with City of Swan on 29 January 2020 and rolled out progressively to all member Councils.

**Question** Were there any plans for the secondary waste fee, or will it be frozen at \$38/tonne?

**Response** The CEO advised this requirement was dependent on which projects the EMRC will proceed with. A business case will be provided for any new project.

**Question** Cr Congerton noted that a 10-year Business Plan had been developed, however the CDS project was not included in the Corporate Plan.

**Response** The CEO confirmed all projects will be built into the current and future planning.

**Question** The Chairman asked now that HZI was signed and sealed, have the EMRC officers done any modelling on the loss of revenue?

**Response** The CEO confirmed that we will lose considerably volume and replacement revenue need to be materialised. Two of the member Councils will continue to landfill. This is why we are focusing on other diversifying projects and activities. The Chief Project Officer said we did do some modelling around 2018, but scenarios need updating now the market, the State Government direction and future commitments have become clearer.

**Question** Cr Jeans asked if a commercial transfer station included the cost of vehicles.

**Response** The CEO advised that there are no trucks in the financial modelling.



*Item 8 continued*

**Question** Cr Johnson enquired if the FOGO costs difference will decline over the years compared to landfill and incineration.

**Response** The CEO advised that if the landfill levy goes up, as most believe it will based on industry experience and there is potentially a levy on waste to energy, the difference will be greater.

The Chairman requested if anyone had any technical questions to please write them down and forward them to the CEO for a response.

**9 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

Nil

**10 QUESTIONS BY MEMBERS WITHOUT NOTICE**

Nil

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

As there were no members from the public no one was required to leave the room.

**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**

<b>Member Council</b>	<b>Implication Details</b>
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)**

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.



*Item 13.1 continued*

The CEO provided a brief overview of the CDS Project including the financial business case. The CEO highlighted that after 12 months the 145 initial refund points will increase to 229. The CDS will instigate long term behaviour change in consumers.

Cr Congerton left the room at 7:15pm and re-entered the room at 7:16pm.

Cr Clarke moved an alternate motion, adding a fifth point to the officer's recommendation:

5. Requests that the CEO continues to explore opportunities to develop further Refund and Aggregation points throughout the EMRC region, especially in member Council areas that do not have EMRC CDS Refund or Aggregation points in this first stage of the rollout.

The rationale is to give instruction to the CEO to pursue more refund points so as to generate greater economies of scale to ensure success of the program.

Cr Wolff seconded the alternative motion.

Discussion ensued in relation to the following matters.

- Estimated % from in the radius of the refund point;
- Securing more refund points;
- The revenue for the Hazelmere site;
- Comparisons to other states;
- The difference between Mathieson and Coppin Roads;
- Exploring mobile options;
- Costs from collections from pubs, clubs, libraries and other community centres etc;
- When we would bring in Red Hill as an aggregation point;
- Corporate overheads;
- Return of investments;
- Conservative approach;
- What profit after 5 years;
- Break even proposition;
- Status of the contract;
- Returning funds to secondary waste reserve;
- Revised Business Case;
- Investing in community projects; and
- Economies of scale.

Cr O'Connor foreshadowed an alternative motion should Cr Clarke's motion be lost, moving only item 3 of the officer's recommendation:

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.

The mover and seconder spoke to the motion, followed by the against. This continued until there were no further speakers.

Cr Clarke exercised her right of reply, following which the alternate motion was put to the vote.



*Item 13.1 continued*

**COUNCIL RESOLUTION(S)**

MOVED CR CLARKE

SECONDED CR WOLFF

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.
5. REQUESTS THAT THE CEO CONTINUES TO EXPLORE OPPORTUNITIES TO DEVELOP FURTHER REFUND AND AGGREGATION POINTS THROUGHOUT THE EMRC REGION, ESPECIALLY IN MEMBER COUNCIL AREAS THAT DO NOT HAVE EMRC CDS REFUND OR AGGREGATION POINTS IN THIS FIRST STAGE OF THE ROLLOUT.

**Motion lost 6/6  
Absolute Majority required**

With the motion having been lost, Cr O'Connor's foreshadowed motion was then tabled as the substantive motion before Council.

The CFO noted that as this substantive motion had the intent of meeting the deadline set by WARRRL to sign the agreement it is also recognised that Council has not approved the CDS business plan. Consequently, the CFO advised that it is not recommended in good faith to sign an agreement where Council has not approved the business plan.

As a result, Cr O'Connor withdrew his motion.



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

**REFERENCE: D2020/18604**

With the motion lost on Report Item 13.1, the CFO withdrew report item 13.2 as this was no longer required.

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

In accordance with Clause 4.1(2) of the *EMRC Standing Orders Local Law 2013*, 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, 1<sup>st</sup> Floor, 226 Great Eastern Highway, Belmont WA 6104 commencing at 6:00pm.

### **Future Meetings 2020**

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**

There being no further business, the meeting was closed at 9:06pm.