

Notice of Special Council Meeting

Council Chamber
Level 9
Council House
27 St Georges Terrace, Perth WA 6000



City of Perth

Notice is hereby given that a Special Meeting of Council of the City of Perth will be held in the Council Chamber, Level 9, Council House, 27 St Georges Terrace, Perth on Tuesday, 21 January 2020 at 5pm.

The purpose of the meeting is for Council to consider:

- A donation to the Australian Red Cross to support bushfire disaster recovery; and
- The implementation of the City's Container Deposit Scheme.

ORDER OF BUSINESS

- 1 Prayer/Acknowledgment of Country
- 2 Declaration of Opening
- 3 Apologies
- 4 Question Time for the Public and Notification of Deputations
- 5 Disclosures of Interests
- 6 Matters for which the meeting may be closed
- 7 Reports

Item No.	Item Title	Page
7.1	Australian Bushfire Appeal – Donation	1
7.2	WA Container Deposit Scheme	4

- 8 Closure

MURRAY JORGENSEN
CHIEF EXECUTIVE OFFICER

17 January 2020

This meeting is open to members of the public

Recommendation:

That Council APPROVES a donation of \$50,000 to the Australian Red Cross towards the national effort to support bushfire disaster recovery in New South Wales, Victoria, South Australia and Queensland.

FILE REFERENCE:	P1037251
REPORTING OFFICER:	Louise Mayberry, Acting Manager Activation and Cultural Experience
REPORTING UNIT:	Activation and Cultural Experience
RESPONSIBLE ALLIANCE:	Community Development
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	9 January 2020
ATTACHMENT/S:	N/A

Council Role:

- | | | |
|-------------------------------------|----------------|---|
| <input type="checkbox"/> | Advocacy | <i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i> |
| <input checked="" type="checkbox"/> | Executive | <i>The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i> |
| <input type="checkbox"/> | Legislative | <i>Includes adopting local laws, town planning schemes and policies</i> |
| <input type="checkbox"/> | Quasi-Judicial | <i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i> |
| <input type="checkbox"/> | Information | <i>For the Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Legislation	N/A
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City of Perth Act 2016**Objects of the City of Perth**

8(1)(e) - to promote awareness of the facilities and events provided and encourage use of them and participation
 8(1)(d) - to continuously improve the services and facilities provided to the community, visitors and tourists
 8(1)(i) - to develop and maintain collaborative inter-governmental relationships with a view to improve the City of Perth

Policy

Policy No and Name: CP18.14 - Donations

Purpose and Background:

The City of Perth's deepest sympathies are with those communities and families who continue to be affected by the bushfires in many parts of Australia. In solidarity with all Australians, and acknowledging the significant support needed for the recovery of these communities, the City of Perth is leading efforts with its event partners to raise community funds in conjunction with the Australia Day Skyworks event.

This report proposes the City makes its own contribution to this community fundraising effort.

Details:

The City of Perth is encouraging Western Australians to come together on Australia Day to build community spirit, show support for those impacted by the bushfire emergencies across Australia, and raise money for fellow Australians.

The City of Perth Skyworks is the biggest Australia Day event in the country and as part of the event, the City is working with event partners to raise awareness and coordinate fundraising for Australian bushfires in the lead up to and on the day. Initiatives include:

- Coordinating fundraising volunteers to encourage Skyworks attendees to donate during the event via cash, EFTPOS or online; and
- Working with Skyworks media partners to support the victims of the fires, recognise the efforts of firefighters, and show solidarity for communities in other States.

The Australian Red Cross has been chosen as the recipient of the funds raised. The City has undertaken a review of the many bushfire appeals and the Australian Red Cross has been identified as the most appropriate national charity to receive donations from the fundraising.

The Australian Red Cross will direct money raised to current and future emergency and disaster relief across Australia, including the ongoing coordination of over 70 evacuation centres, providing food, immediate relief and counselling services to people displaced by the fires and issuing financial grants of \$5,000 to households who have lost their home or it has been deemed inhabitable within New South Wales, Victoria, South Australia and Queensland.

Whilst Western Australia is not currently running appeals for emergencies within this state, a portion of the money raised will enable the Australian Red Cross to continue to support future natural disaster emergency and recovery efforts, including in Western Australia.

As part of this effort, it is also proposed the City of Perth makes its own donation with an amount of \$50,000 to lead the fundraising.

Financial Implications:

The donation of \$50,000 will be funded from the monies quarantined for discretionary Commissioner initiatives from the targeted cost savings.

Account No: 1125-82225-0000-7901

All figures quoted in this report are exclusive of GST.

Comments:

The City of Perth's donation will be amplified by the community fundraising drive at the Skyworks event, calling on the hundreds of thousand attendees to dig deep and support our fellow Australians in need. The total tally of this fundraising effort will be announced post-event.

Recommendation:

That Council:

- 1. ENDORSES the Container Deposit Scheme Business Plan;**
- 2. APPROVES the implementation of the City's Container Deposit Scheme;**

FILE REFERENCE:	P1038729
REPORTING OFFICER:	Clare Courtauld, Waste Management Officer
REPORTING UNIT:	Waste and Cleansing
RESPONSIBLE ALLIANCE:	Infrastructure and Operations
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	15 January 2020
ATTACHMENT/S:	Attachment 7.2A - Business Plan

Council Role:

- | | | |
|-------------------------------------|----------------|---|
| <input type="checkbox"/> | Advocacy | <i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i> |
| <input checked="" type="checkbox"/> | Executive | <i>The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i> |
| <input type="checkbox"/> | Legislative | <i>Includes adopting local laws, town planning schemes and policies</i> |
| <input type="checkbox"/> | Quasi-Judicial | <i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (e.g. under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i> |
| <input type="checkbox"/> | Information | <i>For the Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Legislation

This initiative has been assessed against section 3.59 of the *Local Government Act 1995* and Regulation 9 of the *Local Government (Functions and General) Regulations 1996*. In response, the City has identified that the project does not qualify as a Major Trading Undertaking (MTU), as the project does not involve City of Perth expenditure of more than \$5 million per annum.

City of Perth Act 2016

Objects of the City of Perth

8(1)(c) - to provide a safe, clean and aesthetic environment for the community, city workers, visitors and tourists

Integrated Planning and Reporting Framework Implications

Strategic Community Plan

This initiative aligns with the following strategic objectives;

1.1 Safe, clean and inviting public places that are well patronised and enjoyed by all.

3.2 A per capita reduction in the consumption of energy and water and the generation of waste both within the corporation and throughout all city precincts.

6.2 Genuine collaboration between the City and State on major projects that add considerable value to the city's economic, social and environmental fabric

Policy

Policy No and Name:

8.0 – Environment Policy

Purpose and Background:

This report provides information on the upcoming West Australian Container Deposit Scheme (CDS) and the City of Perth's proposed involvement. The objective of this report is to gain Council approval to commence the implementation of the City's CDS.

The CDS is a State Government initiative that provides a financial refund for approved beverage containers that are returned to an authorised collection point (refund point). The scheme is intended to reduced litter, increase recycling, improve environmental protection and provide new opportunities for social enterprise and community groups in Western Australia.

The CDS is an opportunity to bring income and employment opportunities to the community and provide support to people experiencing homelessness and/or long-term unemployment. On that basis, the scheme aligns with the City's Strategic Community Plan regarding the aspirations 'Planet', 'People' and 'Partnership'.

Involvement in the CDS also aligns with The *City of Perth Act 2016*, section 8(1)(c) - to provide a safe, clean and aesthetic environment for the community, city workers, visitors and tourists, via reduced litter within the City's streets, parks and waterways.

A WARRRL organised Study Tour of Brisbane highlighted that, through providing CDS refund points for the community, the City could become a leader in sustainability, community capacity building and resource management. Information gathered during the study tour was also used to inform an indicative financial analysis for the City's involvement in the CDS.

Due to time constraints and to ensure this opportunity remained available to the City, a non-binding application for the City to become a Refund Point Operator was submitted on 21 October 2019.

The City's application includes the installation and ongoing operation of:

- two permanent container refund points within Northbridge (utilising the City-owned carparks on 68 Roe Street and 6B Aberdeen Street);
- two mobile refund points (container trailers); and
- numerous drop-off refund points at community centres and businesses (via provision of CDS bins).

On 18 December 2019, the City's application was approved by the State Government appointed scheme coordinator Western Australia Return, Recycle, Renew Ltd (WARRRL). The City has been offered a contract based on the approved application.

Details:

The Container Deposit Scheme commences on Tuesday, 2 June 2020. The scheme is written into the *Waste Avoidance and Resource Recovery (Container Deposit Scheme) Regulations 2019* and aligns with the State waste strategy, State litter strategy and the City of Perth Waste Strategy 2014-2024+.

Under the CDS, an additional charge will be applied to eligible beverage containers at the point of sale. The charge will cover the \$0.10 refund offered for every eligible container returned and a handling charge of \$0.06 per container. Most plastic, glass, aluminium, steel and paper-based containers between 150 millilitres and 3 litres are eligible for the \$0.10 refund. The additional \$0.06 will be provided to the refund point operator who collects and sorts the containers. The customer refund (\$0.10 per container including GST) and refund operator payment (\$0.06 per container excl. GST) is paid by WARRRL.

Refund Point Operators have the following responsibilities:

- Paying refund amounts to customers;
- Counting and sorting the collected containers; and
- Preparing containers for collection by Logistics Providers.

Refund Point Operators are responsible for maintaining sufficient working capital to ensure they can pay out refund amounts and any other expenses such as wages, rent and other operating expenses. Refund Point Operators will need to maintain working capital that is at least sufficient to cover two weeks of operations (seven day operating week plus up to five business days for WARRRL to process a payment claim).

The CDS will work to facilitate opportunities for the community and people with disability to work in the scheme. The City can also support charitable organisations through providing container donation points at their facilities.

Community groups have indicated their support for the City's proposed refund points and are keen to be involved. The University of Western Australia, UnitingCare West, Perth City Farm and Shelter WA have provided their formal support and can offer containers and/or employees to the City's refund points. The City also has the written support of seven other groups (St Bartholomew's House, St Patrick's Community Support, WACOSS, Standing Shoulder to Shoulder, Women's Council WA, Brookfield Properties, St Vincent de Paul Society).

Financial Implications

The financial implications have been estimated based on procurement of machines and equipment, construction and fit-out as well as operating costs. This costing also includes internal staff requirements, outsourcing of professional labour, labour from Not-For-Profit groups and leasing of the City's carparks. The proposed costing is a high estimate and will be refined following the tender process.

Based on the 'Western Australia Container Deposit Scheme - Decision Regulation Impact Statement (July 2019)', it is estimated that around 1.8 billion beverages are consumed in Western Australia every year. Under the CDS, over 1.3 billion containers will be redeemable per year in WA. Many of these containers end up in landfill or become litter.

The current container quantities consumed in Western Australia and market evidence from other states has informed the City's projections in terms of container through-put. In establishing the financial implications, the City has tested three scenarios:

1. Scenario 1 (low container deposit levels): 20,000 containers per refund point per day (total of 40,000 containers from two permanent refund points);
2. Scenario 2 (moderate container deposit levels): 40,000 containers per refund point per day (total of 80,000 containers from two permanent refund points); and
3. Scenario 3 (high container deposit levels): 120,000 containers per refund point per day (total 240,000 containers from two permanent refund points)

Table 1: Container Deposit Scheme Financial Analysis

REVENUE ESTIMATE PER ANNUM	Scenario 1: worst-case (40,000 containers/day)	Scenario 2 (80,000 containers/day)	Scenario 3: Best-case (240,000 containers/day)
Annual Estimate Revenue from container deposits (@ 6c per container)	\$ 876,000.00	\$ 1,752,000.00	\$ 5,256,000.00
OPERATING EXPENDITURE ESTIMATE PER ANNUM	Scenario 1	Scenario 2	Scenario 3
Total annual staff cost (inc. counting/sorting containers and managing refund point)	\$ 713,448.62	\$ 1,212,386.74	\$ 2,581,136.74
Total Miscellaneous Operating Expenditure (inc. carpark leasing, advertising, maintenance, repairs)	\$ 162,131.14	\$ 187,681.14	\$ 213,231.14
Total Operating Expenditure per annum	\$ 875,579.76	\$ 1,400,067.88	\$ 2,794,367.88
Net Operating Profit per annum (annual revenue minus annual operating expenditure)	\$ 420.24	\$ 351,932.12	\$ 2,461,632.12
CAPITAL EXPENDITURE ESTIMATE- approvals, site works and procurement of infrastructure (refer to internal QS in Business Plan)			
Refund Point Site Works (Aberdeen St)	\$ 351,200.00	\$ 351,200.00	\$ 351,200.00
Refund Point Site Works (Roe St)	\$ 25,340.00	\$ 25,340.00	\$ 25,340.00
External approvals, building works and equipment	\$ 498,465.00	\$ 498,465.00	\$ 498,465.00
Reverse Vending Machines (4 frontages at Roe St site)	\$ 390,000.00	\$ 390,000.00	\$ 390,000.00
Contingency (11% of total design and construction costs)	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00
Total Capital Expenditure	\$ 1,355,005.00	\$ 1,355,005.00	\$ 1,355,005.00
REPAYMENTS	Scenario 1	Scenario 2	Scenario 3
Capital Expenditure and Operational Expenditure pay-back period (years) (net operating profit per annum divided by total capital expenditure)	3224.35	3.85	0.55

All figures quoted in this report are exclusive of GST.

To establish the CDS, the City will need to spend \$1.355 million this financial year on capital to develop two permanent refund points. Additionally, \$132,419 will need to be spent operationally this financial year on staff wages and site maintenance. Should Council support the scheme, the 2019/20 budget will be amended at the statutory budget review to reflect these cost implications.

Beyond this financial year and based upon conservative container quantities, the City will incur \$875,580 per annum in operating costs to participate in the scheme. This will be offset by \$876,000 in revenue should 40,000 containers per day be processed by the City of Perth.

The financial projections suggest that the City's proposed CDS model becomes more efficient as container quantities increase. Should the City process 80,000 containers per day, the initial capital invested by the City of Perth will be repaid in approximately 4 years.

The City has sufficient funds for the proposed refund points and further expansion, as funding can be sourced from the \$3.8M Waste Reserve Fund. In terms of projections, the City has taken a conservative approach. In addition to the potential revenue generated from this venture, there will be organisational savings from reduced litter clean-up costs and disposal costs.

Comments:

The City has identified that the project does not qualify as a Major Trading Undertaking (MTU), as the project does not involve City of Perth expenditure of more than \$5 million per annum. However, a Business Plan (Attachment 7.2A) has been prepared that addresses the requirements under the *Local Government Act 1995* should the CDS become a MTU in the future.

Based on the City's approved CDS application, a contract has been offered to the City by WARRRL. Should Council decide to endorse the scheme, a development application will be submitted for the refund points. Subject to a successful planning outcome, the contract will be executed in accordance with the City's delegations and procedures.



City of Perth

BUSINESS PLAN

CONTAINER DEPOSIT SCHEME



14 January 2020

Prepared by:

Clare Courtauld, Martin Copeman,

Chris Kopec

1. Executive summary

This Business Plan outlines the City of Perth's (the City's) proposed involvement in the Container Deposit Scheme (CDS) via the operation of container Refund Points within the City's bounds (the project). The project has not been deemed a Major Trading Undertaking (MTU) under the *Local Government Act 1995* (the Act).

This Business Plan has been prepared in accordance with the requirements set out in Section 3.59 of the Act to support the City's decision to;

- a) Proceed with the CDS project; and
- b) To respond quickly with legislative requirements if the CDS grows and triggers the MTU provisions in the future.

As required by section 3.59 (3) of the Act for a Major Trading Undertaking, this Business Plan provides details of the project and:

- a) its expected effect on the provision of facilities and services by the local government;
- b) its expected effect on other persons providing facilities and services in the district;
- c) its expected financial effect on the local government;
- d) its expected effect on the local governments planning for the future;
- e) the ability of the local government to manage the undertaking; and
- f) any other matter prescribed for the purpose of this subsection.

1.1. Background and Context

The Container Deposit Scheme (CDS) is a State Government initiative that provides a financial refund for approved beverage containers that are returned to an authorised collection point. The scheme is intended to reduce litter, increase recycling, improve environmental protection and provide new opportunities for social enterprise and community groups in Western Australia.

The CDS will bring income and employment opportunities to the community and provide support to people experiencing homelessness and/or long-term unemployment. On that basis, the initiative aligns with the City's strategic direction and priority areas relating to waste reduction and homelessness.

The CDS commences on Tuesday, 2 June 2020, facilitated by the State Government appointed scheme coordinator, Western Australia Return, Recycle, Renew Limited (WARRRL). This scheme is written into the *Waste Avoidance and Resource Recovery (Container Deposit Scheme) Regulations 2019* and aligns with the State waste strategy, State litter strategy and the City of Perth Waste Strategy 2014-2024+.

Under the CDS, an additional charge will be applied to eligible beverage containers at the point of sale. The charge will cover the 10-cent refund offered for every eligible container returned and a handling charge of \$0.06 per container. Most plastic, glass, aluminium, steel and paper-based containers between 150 millilitres and 3 litres are eligible for the \$0.10 refund. The additional \$0.06 will be provided to the refund point operator who collects and sorts the containers. The customer refund (\$0.10 per container including GST) and refund operator payment (\$0.06 per container excl. GST) is paid by WARRRL.

Involvement in the CDS also aligns with *The City of Perth Act 2016*, section 8(1)(c) - to provide a safe, clean and aesthetic environment for the community, city workers, visitors and tourists, via reduced litter within the City's streets, parks and waterways.

Due to time constraints and to ensure this opportunity remained available to the City, a non-binding application was submitted on the 21 October 2019 for the City to construct and operate container refund points. On 18 December 2019, the City's application was approved.

The City's approved application includes the installation and ongoing operation of:

- two permanent container refund points within Northbridge (utilising the City-owned facilities and carparks on 68 Roe Street and 6B Aberdeen Street),
- two mobile refund points (container trailers); and
- numerous drop-off refund points at community centres and businesses (via provision of CDS bins).

Through providing CDS refund points for the community, this project is a unique opportunity for the City to become a leader in sustainability, community capacity building and resource management.

1.2. Market Analysis

Based on the 2019 Department of Water and Environmental Regulation (DWER) '*Western Australia Container Deposit Scheme - Decision Regulation Impact Statement*', it is estimated that around 1.8 billion beverages are consumed in Western Australia

every year. Many of these containers end up in landfill or become litter. Under the CDS, over 1.3 billion containers will be redeemable per year (DWER, 2019).

Based on present value, the CDS will deliver net benefits of \$153 million to the WA economy, detailed in the 2018 DWER 'Consultation Regulation Impact Statement'. The benefit-cost ratio result is 1.37, indicating that \$1.37 of benefits will result for every \$1 of cost (DWER, 2018).

To allow for best outcomes for each CDS refund point, minimum network standards of refund point locations have been modelled using population data from the Australian Bureau of Statistics (ABS) Census of Population and Housing (2016), detailed in the DWER 2019 'Minimum Network Standards: Refund Point Locations and hours of Operation'. Based on anecdotal evidence from WARRRL, there is limited competition for refund points within the City and surrounds, as no other refund points have been approved within the City's boundaries. WARRRL have not yet released a list of approved refund point locations, however the City has requested for this information.

Accurate container refund estimates are challenging due to the novelty of the CDS in WA, and currently there are no permanent refund points within any comparable Australian capital cities. The Queensland CDS is the most comparable to WA and so its success has been used to estimate potential container refunds. Additionally, the number of Perth metropolitan area refund points (125) is comparable to the greater Brisbane metropolitan area (~130).

In Queensland, with a population of nearly 5 million people, approximately 3 billion beverage containers are consumed per year. During the first year of the Queensland CDS, over 1 billion containers were returned. WA has half the population size and consumes almost half the number of eligible containers. Considering this, it is expected at least half a billion containers will be returned in the first year of the WA scheme. The Perth metropolitan area contains 73.2% of the population of WA, therefore significant container volumes are expected to be received at the metro area proposed refund points.

During a Brisbane Study Tour in 2019, high volumes of containers were observed within semi-industrial and outer-city refund points, with a 50,000 to 120,000 container through-put per refund point per day. The proposed City of Perth refund points are likely to expect similar, if not greater, volumes considering the population density and visitors to the area. The mix of high container use businesses (bars, restaurants, cafes) also contributes to a higher number of containers produced in the Perth CBD area when compared to the sites visited in Brisbane.

Information gathered from the Brisbane Study Tour has been used to inform an indicative financial analysis for the proposed City refund points, involving the following three scenarios (refer to Attachment 1):

- **Scenario 1** (low container deposit levels): 20,000 containers per refund point per day (total of 40,000 containers from 2 permanent refund points)
- **Scenario 2** (moderate container deposit levels): 40,000 containers per refund point per day (total of 80,000 containers from 2 permanent refund points)
- **Scenario 3** (high container deposit levels): 120,000 containers per refund point per day (total 240,000 containers from 2 permanent refund points)

Mobile refund points have also been included in this project due to the strong level of support from charity groups, UWA and the fact that events held in the City produce significant volumes of containers. The mobile trailers when used by charity groups etc would result in the charities receiving the allocated refund per container however those used at events held in the City would result in the City collecting the full refund per container as additional income. This income has not been included in the scenario calculations and it is envisaged that the City could pre-allocate the income from each event to a selected charity or cause to further the positive impact of the CDS on community services.

The expected payback period of Scenarios 1, 2, and 3 are shown in Attachment 1. The first scenario is worst-case and would not pay off the capital expenditure. Scenario 2 is most probable considering the City's population density and current glass and comingled recycling collections from the City's businesses.

1.3. Conclusion

The proposed project is in alignment with the City's strategic objectives and will benefit the environment, community and economy. However, whether it holds a financial benefit to the City depends on the container through-put.

Market conditions are favourable for a successful scheme given both community attitudes and government policy aimed at reducing the amount of competition between refund points.

Given the City's strategic focus on significant population growth in the CBD area, and the potential for additional education infrastructure over the coming decade, the increased population density and number are also likely to increase through-put to the City's CDS locations.

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1. Introduction

1.1. Purpose

This Business Plan has been prepared in accordance with the requirements set out in Section 3.59 of the *Local Government Act 1995* (the Act) to support the City's decision to;

- a) Proceed with the CDS project; and
- b) To respond quickly with legislative requirements if the CDS grows and triggers the MTU provisions in the future.

The CDS aligns with the City's strategic objectives listed in Table 1 below. The project supports the strategic aspirations 'People, Planet and Partnership', to help build an environmentally sustainable city.

Table 1: City of Perth Strategic Community Plan Aspirations and objectives that align with the project

City of Perth Strategic Community Plan Aspiration	City of Perth Strategic Community Plan Objectives
<p>People</p> <p>A safe, activated and welcoming city that celebrates its diversity and sense of community, providing unique educational, cultural, sporting and lifestyle offerings.</p>	<p>1.1 Safe, clean and inviting public places that are well patronised and enjoyed by all.</p> <p>1.4 An inclusive approach that embraces youth, seniors, people with a disability, and people from all walks of life.</p>
<p>Planet</p> <p>A city that respects, protects and fosters its natural environment, embraces the principles of sustainability and acknowledges the impacts of our changing climate.</p>	<p>3.2 A per capita reduction in the consumption of energy and water and the generation of waste both within the corporation and throughout all city precincts.</p>
<p>Partnership</p> <p>A City that has earned the respect and support of the local industry through strong partnerships with state bodies, industry and community groups and other key stakeholders.</p>	<p>6.2 Genuine collaboration between the City and State on major projects that add considerable value to the city's economic, social and environmental fabric</p>

1.2. Background and Context

The Container Deposit Scheme (CDS) is a State Government initiative that provides a financial refund for approved beverage containers that are returned to an authorised collection point. The scheme is intended to reduced litter, increase recycling, improve environmental protection and provide new opportunities for social enterprise for community groups in Western Australia.

The CDS will bring income and employment opportunities to the community and provide support to people experiencing homelessness and/or long-term unemployment.

The CDS commences on Tuesday, 2 June 2020, facilitated by the State Government appointed scheme coordinator, Western Australia Return, Recycle, Renew Ltd (WARRRL). This scheme is written into the *Waste Avoidance and Resource Recovery (Container Deposit Scheme) Regulations 2019* and aligns with the State waste strategy, State litter strategy and the City of Perth Waste Strategy 2014-2024+.

Under the CDS, an additional charge will be applied to eligible beverage containers at the point of sale. The charge will cover the 10-cent refund offered for every eligible container returned and a handling charge of \$0.06 per container. Most plastic, glass, aluminium, steel and paper-based containers between 150 millilitres and 3 litres are eligible for the \$0.10 refund. The additional \$0.06 will be provided to the refund point operator who collects and sorts the containers. The customer refund (\$0.10 per container including GST) and refund operator payment (\$0.06 per container excl. GST) is paid by WARRRL.

Involvement in the CDS also aligns with *The City of Perth Act 2016*, section 8(1)(c) - *to provide a safe, clean and aesthetic environment for the community, city workers, visitors and tourists, via reduced litter within the City's streets, parks and waterways.*

The CDS is a unique opportunity for the City to become a leader in sustainability, community capacity building and resource management. Through providing CDS refund points, where consumers can take containers to get a refund, the City can provide this new opportunity to its community.

Due to time constraints and to ensure this opportunity remained available to the City, a non-binding application was submitted on the 21 October 2019 for the City to construct and operate container refund points. On 18 December 2019, the City's application was approved.

The City's approved application includes the installation and ongoing operation of:

- two permanent container refund points within Northbridge (utilising the City-owned facilities and carparks on 68 Roe Street and 6B Aberdeen Street),
- two mobile refund points (container trailers); and
- numerous drop-off refund points at community centres and businesses (via provision of CDS bins).

1.3. History

Container Deposit Scheme legislation was first implemented in South Australia in 1977 and over the decades has spread to the Northern Territory in 2012, New South Wales in 2017, the Australian Capital Territory in June 2018 and Queensland in November 2018. The Western Australia CDS shall commence on 2 June 2020.

The success of the CDS in each state is well-documented, with more than 612 million containers returned in South Australia in 2019 (EPA, 2019), 2.7 billion containers returned in New South Wales in the first two years (Waste Management Review, 2019), and 1 billion containers returned in Queensland in its first year (Brisbane Times, 2019).

The schemes in each state have shown to:

- increase recovery and recycling of empty beverage containers;
- reduce the number of empty beverage containers that are disposed of as litter or to landfill;
- ensure that first responsible suppliers of beverage products take product stewardship responsibility;
- provide opportunities for social enterprise and benefits for community organisations;
- create opportunities for employment; and
- complement existing collection and recycling activities for recyclable waste.

The WA CDS aims to achieve the above outcomes, and the proposed project will help to achieve this in the City and support the success of the CDS in the state.

1.4. CDS Brisbane Study Tour

In September 2019, a CDS Study Tour was facilitated by WARRRL in Brisbane and attended by Nathan Ahern (Alliance Manager Parking Services) and Clare Courtauld (Waste Management Officer). The study tour highlighted the potential benefits of the City becoming a Refund Point Operator, with light-industrial Brisbane refund points receiving 50,000-120,000 containers per refund point per day.

Information gathered from the Brisbane Study Tour has been used to inform an indicative financial analysis for the proposed City refund points. The three scenarios are detailed in Attachment 1.

The expected payback period of Scenarios 1, 2, and 3 are also detailed in Attachment 1. The first scenario is worst-case and demonstrates that while the project does not operate at a loss, neither would it pay back the capital investment. The City's total container through-put is expected to exceed that of Scenario 1, considering the City's population density and current glass and comingled recycling collection quantities from the City's businesses. This is also supported by the State beverage consumption statistics, detailed in Section 2.

Based on the high number of residents, businesses and visitors in the City, and considering both worst and best-case scenarios, it is likely that the City and its community will benefit financially from this CDS as a Refund Point Operator, with opportunity for community engagement and support.

The project implementation is expected to involve additional container collection points as the scheme progresses with the potential to benefit businesses and not-for-profit organisations via the container refund. Additional collection points will be continuously sought to ensure adequate container through-put and sustainable operation of the refund points.

2. Market Analysis

Based on the 'Western Australia Container Deposit Scheme - Decision Regulation Impact Statement (July 2019)', it is estimated that around 1.8 billion beverages are consumed in Western Australia every year. Many of these containers end up in landfill or become litter. Under the CDS, over 1.3 billion containers will be redeemable per year.

Based on present value, the CDS will deliver net benefits of \$153 million to the economy, detailed in the 2018 Department of Water and Environmental Regulation (DWER) 'Consultation Regulation Impact Statement'. The benefit-cost ratio result is 1.37, indicating that \$1.37 of benefits will result for every \$1 of cost (DWER, 2018).

Minimum network standards for refund point numbers and point locations have been created to allow for best outcomes and limited competition between each refund point. The minimum network standards have been modelled using population data from the Australian Bureau of Statistics (ABS) Census of Population and Housing, 2016, detailed in the Department of Water and Environmental Regulation (DWER) 2019 'Minimum Network Standards: Refund Point Locations and hours of Operation-Consultation Summary'.

The Western Australian Government has at this stage determined the CDS minimum requirement to be 229 refund points (114 full-time refund points and 115 flexible refund points) across Western Australia, within 12 months of the scheme commencement date. Using the 2016 Census population for Western Australia (2,567,788), this provides an average refund point to population ratio of 1:11,213 (Table 2). Table 2 provides a comparison of population, the number of refund points and the average population per refund point in Australian CDS jurisdictions.

The scheme provider has dictated minimum network standards and has assigned a total of 125 (94 full-time and 31 flexible) refund points to the Perth metropolitan area (south of Yanchep to south of Mandurah). According to the 2016 Census, the Perth metropolitan area has a population of 1,881,690, this provides an average refund point to population ratio of 1:15,053.

Table 2: Comparison of refund points and population in relevant states and territories (DWER, 2019)

State or Territory	Population*	Number of refund points	Average population per refund point
South Australia	1,596,572	132	12,095
Northern Territory	211,945	13	16,303
New South Wales	7,480,228	639	11,706
Australian Capital Territory	397,397	18	22,078
Queensland	4,883,739	307	15,908
Western Australia	2,567,788	229	11,213

*Australian Bureau of Statistics (ABS), 2016.

The estimated resident population of the City of Perth is 27,762 (ABS, 2018) and over 1,700,000 visitors come to the City each year (Tourism WA 2018), with an average of 4,600 visitors per day. The City's active night life and tourism scene is likely to support high container volumes through the proposed refund points.

Accurate container refund estimates are challenging due to the novelty of the CDS in WA, and currently there are no permanent refund points within any comparable Australian capital cities. The Queensland CDS is the most comparable to WA and so its success has been used to estimate potential container refunds. Additionally, the Perth metropolitan area refund point standards are comparable to the greater Brisbane metropolitan area, which contains approximately 130 refund points.

In Queensland, over 1 billion containers (out of 3 billion total) have been returned just one year since the CDS commenced in November 2018. The refund points visited during a Brisbane Study Tour received 50,000 to 120,000 containers per refund point per day. All permanent refund points visited during the Brisbane Study Tour were within semi-industrial and outer-city areas, whereas the proposed City of Perth refund points would be within the central area of Northbridge. The proposed City of Perth refund points are likely to expect similar, if not greater, volumes considering the population density and visitors of the area. These container volumes have been used in the CDS financial analysis presented in Attachment 1.

Recent WA events can also help to determine expected container deposits within the City's proposed refund points. For instance, on 26 and 27 October 2019, TOMRA (a reverse vending machine corporation) hosted a CDS refund event at Stockland Bull Creek Shopping Centre where the public could deposit their containers for a 10-cent refund. The refund point received 48,000 containers over two 7-hour days, averaging 24,000 containers per day. This container amount aligns with Scenario 1 of the project's financial analysis, with 20,000 containers per refund point per day. As the public are not yet familiar with the CDS, container numbers are likely to increase after the scheme commences.

The proposed CDS project and estimated container throughput within City refund points has incorporated the information gathered from the recent CDS Study Tour and WA events. Based on the number of eligible container consumed in WA and the current resident and transient population within the City, the proposed refund points are likely to receive large container quantities that will sustain the proposed operations. Refer to Attachment 1 for further detail of container through-put scenarios and costings.

3. Trading Undertaking

3.1. Location and site specifics

The proposed refund points are located at within the City-owned Aberdeen Street Garage and adjoining car bays (6b-8 Aberdeen Street) and within the ticket storage room at 68 Roe St, Northbridge (refer to Figures 1 and 2). These locations were selected with due diligence and in consultation with City staff. The size and location of these refund points will viably support the CDS and community involvement in this initiative.

Flexible refund points, in the form of container collection trailers, are also proposed as part of the CDS project and detailed below.

Aberdeen Street Refund Point (Aggregation and Manual Sorting Site)

The Aberdeen Street site is currently used for parking. A total of 45 external and 16 internal (garage) car bays will be removed for this refund point. These parking bays are currently cost neutral and underutilised.

This refund point shall be operational from 7:00am-6:00pm during the week, and 9:00am to 5:00pm on weekends.

Customers shall be able to drive through the site where they will be met by staff (Not-For-Profit Contractors) who will retrieve the containers from the vehicle and manually sort the containers into the 9 material types. To ensure no traffic issues and a fast and efficient service, customers will be directed to park their car in one of the thirty (30) available parking bays whilst their containers are being sorted and counted. Adequate employee numbers will ensure minimal wait times.

All container refunds shall be provided by a City of Perth employee within the secure site office using the provided point of sale system. A City of Perth employee shall be appointed site manager, where they will oversee operations and manage the refund records and any disputes or customer queries. This site will provide customers with a cash or donation refund option.

Containers will be stored within the secure, locked garage after hours and the site will have 24-hour video surveillance to ensure sufficient security of the site and the containers stored within.

As per the *Planning and Development (Local Planning Schemes) Amendment Regulations 2019*, approval for CDS infrastructure is required to be obtained; the Aberdeen Street facility would not satisfy Clause 61C. subclause 2(d) to be exempt from development approval, as there is a residential building approximately 20-25 metres away from the facility.

“61C. Development approval not required to operate container deposit recycling centre

(1) Subject to subclause (2), development approval of the local government is not required to use land to operate a container deposit recycling centre.

(2) The use of land to operate a container deposit recycling centre is not exempt from the requirement for development approval unless each of the following conditions is satisfied —

- (a) no part of the land is in a heritage-protected place;
- (b) no part of the land is in a residential area;
- (c) the operation of the centre begins by 2 June 2021;
- (d) the centre operates in a building which is not within 200 m of the boundary of a lot used for residential purposes;
- (e) the floor area of the part of the building that is primarily used for the purposes of the centre does not exceed 2 000 m²;
- (f) for each 100 m² of the floor area of the part of the building that is primarily used for the purposes of the centre, there is on the land at least —
 - (i) 1 car parking space; or
 - (ii) a 6 m length of car queuing lane.”

The development application process will commence in February 2020 and site works will be completed prior to the CDS commencement date, forecast for May 2020. The proposed works include fencing and new roller doors to the existing building

(refer to Figure 1). A site office and toilet amenities will be constructed on site and installation of services (water, sewer, power, internet) will also be completed.

Further considerations are listed below:

- The proposed refund points will not involve major construction works and is instead utilising existing infrastructure.
- No vegetation clearing is required.
- The sites will not have any negative visual impact on the adjoining properties.
- Where the proposed activity causes disturbance to the amenity of the area, the process will be managed to limit impact and risk.
- Operational issues such as hours of operation, noise and dust monitoring and site access will be managed to limit impacts and liability.

The site is well equipped for the purposes of a refund point. A potential challenge is the noise generated from the refund point operations. The City has engaged with Acoustic Consultants who have provided preliminary advice on the operating hours to ensure reduced acoustic impacts to nearby residential dwellings. Sorting of containers will occur within the semi-enclosed garage to reduce noise impacts to surrounding residential dwellings and businesses. An acoustic impact assessment will be form part of the development application and further mitigation measures can be sought after advice from the acoustic report.

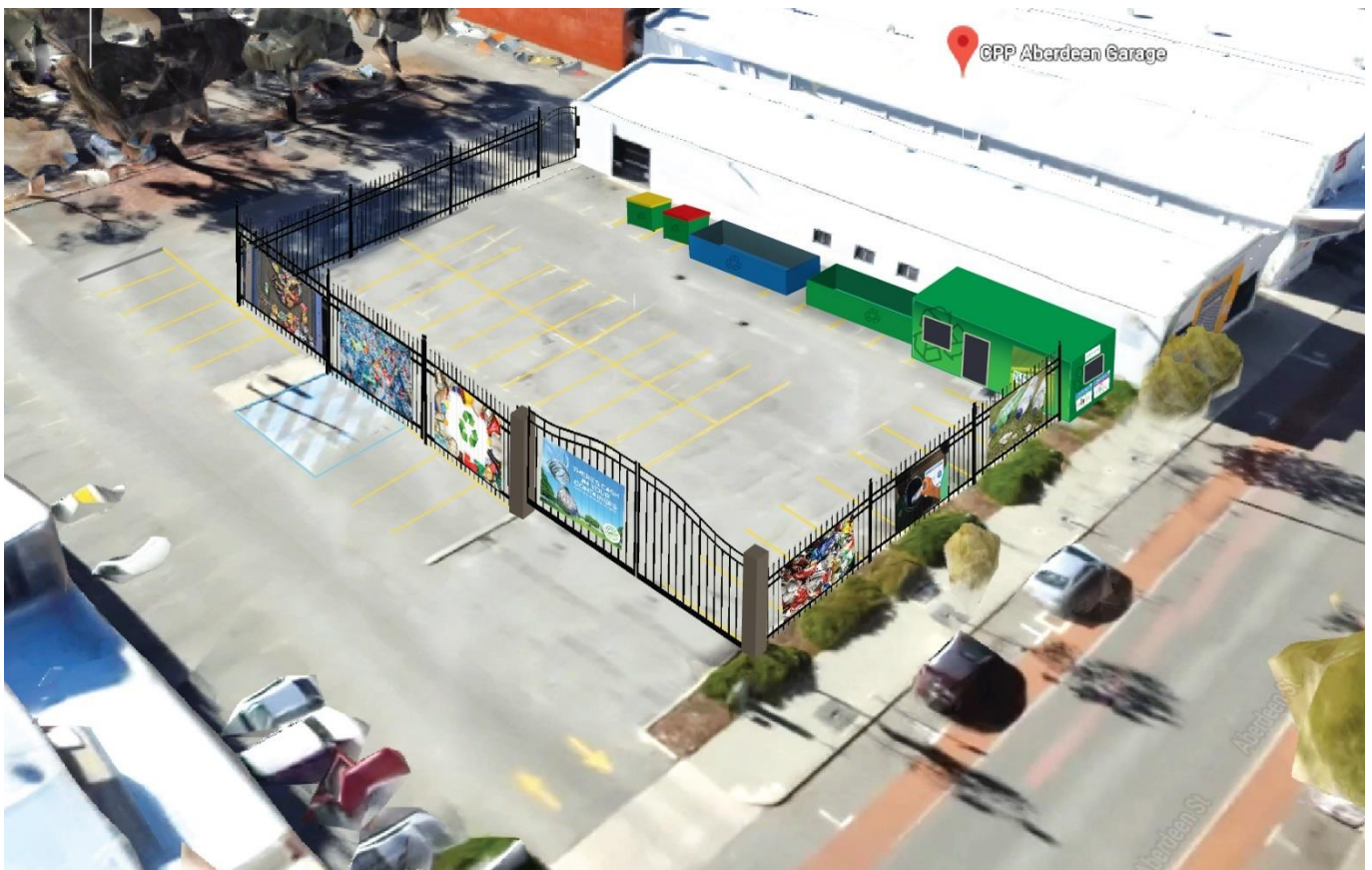


Figure 1: Aberdeen Street refund point - draft design

Roe Street Refund Point (Reverse Vending Machines)

The proposed Roe Street site is currently used for ticket storage. The Roe Street City of Perth Carpark currently comprises an adjoining storage area where, under the CDS, the City proposes to install and operate four (4) reverse vending machine fronts (Refer to Figure 2). This site is highly accessible and located in a frequently visited area, with proximity to Perth Bus Station, Perth Train Station, convenience stores and restaurants.

The reverse vending machines shall be operational during the carpark hours (6:00am-1:00am Monday to Thursday, 6:00am-12:00am Friday, 24 hours Saturday and Sunday).

The broad operating hours will support the City’s community and those that are at risk of or experiencing homelessness, as well as reducing street litter that accumulates in the City (particularly on weekends). After operating hours, the machines will be closed off by a locked roller door.

This site requires the construction of a standard brick wall to house the reverse vending machines (4 frontages). The face of the wall will be rendered to allow for a wall wrap which will display educational material related to the scheme.

The site may become a dumping ground for non-eligible containers and general waste. To avoid litter within the area, landfill bins and comingled recycling bins will be provided. Shopping trolleys may be left in the area and the City will closely monitor for this to ensure the trolleys are removed as soon as possible.

During the first month of operation, City staff shall assist customers during peak operating hours (up to 4 hours each day) to ensure customers understand the scheme and how the refund point operates. The City staff are highly experienced in customer service and interaction with the public.



Figure 2: Roe Street refund point - draft design

Mobile Container Trailers (Flexible Refund Point)

The project includes the procurement of two (2) mobile trailers which will be used as charity drop-off sites. The City may increase the number of trailers depending on demand. The containers would be taken to the Aberdeen Street refund site for sorting and counting.

The mobile refund points have been included due to the strong level of support from charity groups, UWA and the fact that events held in the City produce significant volumes of containers. The mobile trailers when used by charity groups etc would result in the charities receiving the allocated refund per container however those used at events held in the City would result in the City collecting the full refund per container as additional income. This income has not been included in the scenario calculations and it is envisaged that the City could pre-allocate the income from each event to a selected charity or cause to further the positive impact of the CDS on community services.

3.2. Financials

The City of Perth Governance Unit has identified that the project does not qualify as a Major Trading Undertaking (MTU), as the project does not involve City of Perth expenditure of more than \$5 million per annum. However, this business case has used the recommended format for a Major Trading Undertaking. Utilising the required format will allow the City to respond quickly should the venture trigger a MTU moving forward.

The project financials have been reviewed by the City of Perth Finance Unit and a seven-year project costing was estimated based on a seven-year use of life, as this is the WA CDS guaranteed period. Seven years is a moderate estimate, as the infrastructure is likely to last over 15 years. There is a potential opportunity for re-sale due to the growing market for CDS

infrastructure; in this case the City could renew and replace parts on a more frequent basis, rather than after equipment failure. Additionally, the initial outlay for the site works will be adding value to the existing buildings.

The proposed costing is estimated based on procurement of machines and equipment, construction and fit-out as well as operating costs (including maintenance, and replacement) (refer to Attachments 1 and 2). This costing also includes internal staff requirements, outsourcing of professional labour and labour from Not-For-Profit groups and leasing of the City's carparks. The proposed costing is a high estimate and will be refined following the tender process.

Operating costs will be dependent on the number of containers that are collected at each refund point and subsequently the number of staff required to operate the site. The proposed costing has been based on the worst-case container throughput scenario (40,000 containers per day, or 20,000 containers per refund point) and this low container throughput is likely to increase.

The City has sufficient funds for the proposed refund points and further expansion, as funding can be sourced from the \$3.8M Waste Reserve Fund. Additionally, there will be savings from reduced litter clean-up costs, and reduced landfill waste and comingled recycling volumes due to CDS containers being removed at the source.

As a refund point operator, the City will receive payment for handling the containers; the financial analysis (Attachment 1) presents the potential revenue generated from the CDS and the estimated repayment period for all expenditure. The potential net profit may supplement the Waste Reserve Fund.

4. Local Government Act 1995 Requirements

4.1. Overall Assessment of the Trading Undertaking

In accordance with the Local Government Act 1995 Section 3.59, a business plan is to include an overall assessment of the trading undertaking and is to include details of –

- (a) its expected effect on the provision of facilities and services by the local government; and
- (b) its expected effect on other persons providing facilities and services in the district; and
- (c) its expected financial effect on the local government; and
- (d) its expected effect on the local governments planning for the future; and
- (e) the ability of the local government to manage the undertaking; and
- (f) any other matter prescribed for the purpose of this subsection.

This is detailed in Sections 6.2- 6.7 below.

4.2. Expected Effect on the Provision of Facilities and Services by the Local Government (Section 3.59(3)(a))

The project will facilitate provision of container refunds to the community via the proposed refund points.

The project will not have an adverse impact on the current City of Perth waste management operations and essential waste management services that it provides the community. Internal and external staff will be allocated to the project and CDS infrastructure will be acquired to ensure the project can run without negatively impacting on current operations.

The refund points are located within City of Perth carparks which are currently cost neutral and under-utilised. The project will lease the City carparks and parking infrastructure, thereby maintaining income to the City's properties portfolio. The reduced number of car bays is insignificant when considering the current parking vacancies and use of the area. Surrounding parking facilities can provide sufficient parking for the public.

The proposed City of Perth refund points will have social, financial and environmental benefits, including the following opportunities:

- income from container refunds (\$0.10 per container) to local schools, charities, sporting groups, community groups, businesses and the broader community;
- provision of employment opportunities and income for people of varying abilities and those who have been unemployed long-term (via refund points).
- provision of community benefits from income generated;
- reduced litter clean-up costs, which will allow for City street cleaning staff to provide additional waste and street cleaning services to the community.
- reduction in the amount of waste going to landfill and increasing recycling, therefore reducing tipping and recycling provider fees; and

- improved recycling rates through improved resource recovery, helping the City to reach the State's waste diversion targets and supporting legislative requirements.

4.3. Expected Effect on Other Persons Providing Facilities and Services in the District (Section 3.59(3)(b))

Third party impacts have been considered for customers, ratepayers, businesses, community groups, market suppliers and resource recovery facilities. The effects are dependent on the container throughput via the City's refund points and the outcomes of the scheme.

The City expects reduced volumes of landfill and recyclable material as containers are retrieved from residential and commercial bins. The reduced volumes will reduce the City's disposal costs, which are predicted to rise further in the future. Additionally, resource recovery facilities are required to pay 50% of the refund received from containers delivered by local government comingled recycling trucks. The City will therefore expect income from these facilities.

The project will not impact other refund points as there are no other refund points approved within the City's bounds, confirmed via liaison with the scheme coordinator and refund point competitors.

The Aberdeen Street refund point may have acoustic impacts on the neighbouring residential and commercial buildings. An acoustic impact assessment will identify the potential noise emissions from the refund point and the City will implement noise mitigation measures required. The building will be amended to attenuate noise and the operating hours will align with the *Environmental Protection (Noise) Regulations 1997*.

Stakeholder liaison will be undertaken to ensure the residential and commercial tenants within the area are provided with adequate information of the proposed acoustic impacts of the project.

This scheme is an excellent opportunity to support many different charitable organisations and the proposed refund points will be of a suitable scale to sort deposited containers from a range of groups. The University of Western Australia, UnitingCare West and Shelter WA have provided their formal support to the City and can provide containers and/or employees to the City's refund points. The City also has the written support of seven (7) other groups (St Bartholomew's House, St Patrick's Community Support, WACOSS, Standing Shoulder to Shoulder, Women's Council WA, Brookfield Properties, St Vincent de Paul Society).

4.4. Expected Financial Effect on the Local Government (Section 3.59(3)(c))

As a refund point operator, the City will receive payment for handling the containers; the financial analysis (Attachment 1) presents the potential revenue generated from the CDS and the estimated repayment period for all expenditure. The potential net profit can be provided back into community initiatives and may supplement the City's Waste Reserve Fund. Additionally, there will be savings from reduced litter clean-up costs, and reduced landfill waste and comingled recycling volumes due to CDS containers being removed at the source.

The City has sufficient funds for the proposed refund points and further expansion, as funding can be sourced from the \$3.8M Waste Reserve Fund.

4.5. Expected Effect on the Local Governments Planning for the Future (Section 3.59(3)(d))

This project has the potential to address many of the goals and strategies as defined in the City's Strategic Community Plan (2017/18 – 2026/27), particularly those relating to the natural environment and environmental sustainability. Refer to Section 1.1 for the detailed list of strategic objectives and outcomes relating to the project.

As a refund point operator, the City will receive payment for handling the containers; the financial analysis (Attachment 1) presents the potential revenue generated from the CDS and the estimated repayment period for all expenditure. The potential net profit may supplement the Waste Reserve Fund and provide for the implementation of future community initiatives.

The proposed project will ensure the City is at the forefront of the CDS and a leader in planning for the future, improving resource management and supporting the homeless population and broader community. This project shall reduce litter, increase recycling and protect the environment, as well as provide opportunities for social enterprise participation.

4.6. Ability of the Local Government to Manage the Undertaking (Section 3.59(3)(e))

The City will be obtaining professional support in the commercial and legal negotiations and has additional resources to oversee the construction process. The City manages a range of projects and is equipped to manage this project concurrently.

The City will hire additional staff as part of the ongoing operations of the project; staff numbers are detailed in the financial analysis (Attachment 1). The reduction in litter clean-up requirements will enable existing staff to also assist with the project, and staff will be redirected to the CDS where suitable.

The City has sufficient funds for the proposed refund points and further expansion, as funding can be sourced from the \$3.8M Waste Reserve Fund. Additionally, there will be savings from reduced litter clean-up costs, and reduced landfill waste and comingled recycling volumes due to CDS containers being removed at the source.

4.7. Any Other Matter Prescribed for the Purpose of this Subsection (Section 3.59(3)(f))

Matters prescribed relate to Joint Ventures which is not applicable in this matter.

5. Conclusion

Community attitudes and government policy is geared to reduce the amount of waste going to landfills by increasing the amount of recovered waste. Population and household growth will continue to increase the volumes of recyclable materials into the future. These growth signals will increase demand for refund points and this means a favourable market for the proposed project.

The CDS is a unique opportunity for the City of Perth to become the first capital city with CDS refund points in Australia, thereby becoming a leader in the scheme. Other local governments have also been successful in providing refund points within WA, however the City of Perth is best situated for large container quantities.

The proposed project is in alignment with the City's strategic objectives and will benefit to the environment, community and economy. The City's refund points will provide a sustainable solution to the City's litter and recycling problems, whilst giving back to the City's community and the broader public, ultimately helping the City to become a leader in sustainability, community development and resource management.

If the project becomes a MTU, the Business Plan for the CDS City refund points would be revised and publicly advertised, as required under the Act.

6. Appendix

References

Brisbane Times 2019, *Thanks a billion: Container scheme transforms Queensland Recycling*. Available from: <<https://www.brisbanetimes.com.au/national/queensland/thanks-a-billion-container-scheme-transforms-queensland-recycling-20191101-p536nb.html>>. [13 January 2020].

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Environmental Protection Authority (EPA) 2020, *Container Deposits*, Government of South Australia. Available from: <https://www.epa.sa.gov.au/environmental_info/container_deposit>. [13 January 2020].

Waste Management Review 2019, *Return and Earn*. Available from: <<https://wastemanagementreview.com.au/tag/return-and-earn/>>. [13 January 2020].

Attachment 1: COST-BENEFIT ANALYSIS - CONTAINER DEPOSIT SCHEME

REVENUE ESTIMATE PER ANNUM	Scenario 1: worst-case (40,000 containers/day)	Scenario 2 (80,000 containers/day)	Scenario 3: Best-case (240,000 containers/day)
Annual Container Deposits	14,600,000.00	29,200,000.00	87,600,000.00
Payment per container from Scheme Coordinator (WA Return, Recycle, Renew Ltd)	\$ 0.06	\$ 0.06	\$ 0.06
Annual Estimate Revenue from container deposits (@ 6c per container)	\$ 876,000.00	\$ 1,752,000.00	\$ 5,256,000.00

OPERATING EXPENDITURE ESTIMATE PER ANNUM	Scenario 1	Scenario 2	Scenario 3
Staffing Expenditure			
City of Perth Team Leader number	1	1	1
City of Perth Team Leader hourly rate (Inclusive of all salary on-costs and weekend rates)	\$ 78.36	\$ 78.36	\$ 78.36
City of Perth Additional Staff number (staff to collect containers from Reverse Vending Machines and assist managing refund point)	1	2	2
City of Perth Additional Staff hourly rate (Inclusive of all salary on-costs and weekend rates)	\$ 56.69	\$ 56.69	\$ 56.69
City of Perth Staff Annual Cost (@7.5hrs/day x 365 days)	\$ 369,699.38	\$ 524,888.25	\$ 524,888.25
Contracted Not-For-Profit Group Staff number (to sort containers, counting approx. 30-40 containers/minute)	2	4	14
Contracted Not-For-Profit Group Staff hourly rate (estimate)	\$ 50.00	\$ 50.00	\$ 50.00
Contracted Security Staff (estimate based on part-time contract) x1	\$ 51.14	\$ 51.14	\$ 51.14
Contracted Staff annual cost (@7.5 hrs/day x 365 days)	\$ 343,749.24	\$ 687,498.49	\$ 2,056,248.49
Total annual staff cost	\$ 713,448.62	\$ 1,212,386.74	\$ 2,581,136.74
Miscellaneous operating expenditure			
Carpark leasing (Aberdeen St and Roe St)	\$ 65,729.29	\$ 65,729.29	\$ 65,729.29
Machine repairs and maintenance (inc. parts replacement)	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Advertising	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Water and electricity usage (1 year estimate)	\$ 5,160.00	\$ 5,160.00	\$ 5,160.00
Unscheduled maintenance	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Flatbed truck hire (internal WAC vehicle) @\$35 per hour (Scen. 1: 2 hr/day, Scen. 2: 4 hr/day, Scen. 3: 6hr/day)	\$ 25,550.00	\$ 51,100.00	\$ 76,650.00
Labour for cash float requirements (City of Perth staff [\$57 /hr] @1 hr x 365 days)	\$ 20,691.85	\$ 20,691.85	\$ 20,691.85
Total Miscellaneous Operating Expenditure	\$ 162,131.14	\$ 187,681.14	\$ 213,231.14
Total Operating Expenditure per annum	\$ 875,579.76	\$ 1,400,067.88	\$ 2,794,367.88

Net Operating Profit per annum (annual revenue minus annual operating expenditure)	\$ 420.24	\$ 351,932.12	\$ 2,461,632.12
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CAPITAL EXPENDITURE ESTIMATE- approvals, site works and procurement of infrastructure (refer to internal QS in Business Plan)	Scenario 1	Scenario 2	Scenario 3
Refund Point Site Works (Aberdeen St)	\$ 351,200.00	\$ 351,200.00	\$ 351,200.00
Refund Point Site Works (Roe St)	\$ 25,340.00	\$ 25,340.00	\$ 25,340.00
External approvals, building works and equipment	\$ 498,465.00	\$ 498,465.00	\$ 498,465.00
Reverse Vending Machines (4 frontages at Roe St site)	\$ 390,000.00	\$ 390,000.00	\$ 390,000.00
Mobile Refund Points - Container drop-off trailers (x2) (Fleet Budget)	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Contingency (11% of total design and construction costs)	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00
Total Capital Expenditure	\$ 1,355,005.00	\$ 1,355,005.00	\$ 1,355,005.00

REPAYMENTS	Scenario 1	Scenario 2	Scenario 3
Capital Expenditure and Operational Expenditure pay-back period (years) (net operating profit per annum divided by total capital expenditure)	3224.35	3.85	0.55

PROJECT COST PLAN SUMMARY

A. Fill in each of the boxes or write "n/a" if the element is not applicable
 B. Elemental Costs including relevant contingencies, locality costs*, market conditions and escalation during construction
 C. All Elemental Costs are **exclusive** of GST

	Tick one box		
Evaluation Phase – Indicative Cost	X	Cost Plan Date	14-Jan-20
Project Definition/Brief Finalisation – Indicative Cost		Building Cost Index	177.5
Schematic Design – Preliminary Estimate			
Design Development – Limit of Cost			
Contract Documentation – Tender Estimate			

PROJECT TITLE Container Deposit Scheme Development
Location Aberdeen Street & Roe Street, Perth

BUILDINGS		GFA	GFA Rate	Elemental Cost
(From Single Building Cost Plans)				
1	Roe Street	61	\$ 415	\$25,340
2	Aberdeen Street Garage	1,600	\$ 220	\$351,200
Total GFA and Building Cost		1,661	\$ 227	\$ 376,540
Code	AIQS Element			
CE	Centralised Energy Systems			N/A
AR	Alterations and Renovations		\$9	\$15,000
XP	Site Preparation		\$5	\$8,000
XR	Roads, Footpaths and Paved Areas		\$50	\$82,000
XN	Boundary Walls, Fencing and Gates		\$60	\$100,000
XB	Outbuildings and Covered Ways			N/A
XL	Landscaping and Improvements		\$6	\$9,750
External Works Subtotal (CE to XL)			\$129	\$214,750
XK	External Stormwater Drainage		\$22	\$36,000
XD	External Sewer Drainage		\$14	\$24,000
XW	External Water Supply		\$4	\$6,500
XG	External Gas			N/A
XF	External Fire Protection		\$7	\$12,000
XE	External Electric Light and Power		\$17	\$28,000
XC	External Communications		\$12	\$20,000
XS	External Special Services			N/A
External Services Subtotal (XK to XS)			\$76	\$126,500
XX	External Alterations and Renovations		\$9	\$15,000
PR	Proportion of Preliminaries		\$20	\$34,000
SUB TOTAL NET PROJECT COST				\$ 751,790
YY	Design Contingency		3.5%	\$30,000
YY	Construction Contingency		7.5%	\$60,000
YY	Building Act Compliance			N/A
YY	Percent for Public Art		1.0%	\$8,000
LC	Land Costs (if applicable)			N/A
FE	Loose Furniture and Equipment		2.0%	\$15,000
YYSP	Relocation Costs and Disbursements			
YYSP	New and Relocated Transportables			
YYSP	Computing Equipment and Services			
PF	Professional Fees (incl Lead Consultant Con Admin fees)		12.0%	\$90,215
	Acoustic impact assessment			\$4,000
	Development approval			\$3,000
TOTAL NET PROJECT COST (At Current Prices)				\$955,005
ET	Escalation to Tender	Tender Date	Jun-20	\$10,000
		BCI	179.5	
ESCALATED NET PROJECT COST				\$965,005
ESTIMATED TOTAL COST				\$965,005
YYSP				N/A
ESTIMATED GROSS TOTAL COST				\$965,005
GOODS and SERVICES TAX				96,500

SINGLE BUILDING COST PLAN

		Tick one box			
Evaluation Phase (Business Case)		<input checked="" type="checkbox"/>		Cost Plan Date	14-Jan-20
Project Defn/Brief Final – Indicative Cost		<input type="checkbox"/>		Building Cost Index	177.5
Schematic Design – Prelim Estimate		<input type="checkbox"/>			
Design Developmnt – Limit of Cost Estimate		<input type="checkbox"/>			
Contract Document – Tender Estimate		<input type="checkbox"/>			
Building	Roe Street Car Park				
Number of Storeys	1	Fully Enclosed Covered Area	46		
Location	Roe Street, Northbridge	Unenclosed Covered Area	15		
Functional Unit		Gross Floor Area (GFA)	61		
Function Quantity		Usable Floor Area			
Code	AIQS Element	Elemental Quantity	Elemental Rate	GFA Rate	Elemental Cost
SB	Substructure	NM			
CL	Columns	N/A			N/A
UF	Upper Floors	N/A			N/A
SC	Staircases	N/A			N/A
RF	Roof	N/A			N/A
EW	External Walls	20	\$125	\$41	\$2,500
WW	Windows	N/A			N/A
ED	External Doors	N/A			N/A
NW	Internal Walls	N/A			N/A
NS	Internal Screens and Borrowed Lights	N/A			N/A
ND	Internal Doors	N/A			N/A
Superstructure Subtotal (CL to ND)				\$41	\$2,500
WF	Wall Finishes	30	\$100	\$49	\$3,000
FF	Floor Finishes	N/A			N/A
CF	Ceiling Finishes	46	\$90	\$68	\$4,140
Finishes Subtotal (WF to CF)				\$117	\$7,140
FT	Fitments	1			\$2,000
SE	Special Equipment				
Fittings Subtotal (FT & SE)				\$33	\$2,000
SF	Sanitary Fixtures	N/A			N/A
PD	Sanitary Plumbing	N/A			N/A
WS	Water Supply	N/A			N/A
GS	Gas Service	N/A			N/A
SH	Space Heating	N/A			N/A
VE	Ventilation	N/A			N/A
EC	Evaporative Cooling	N/A			N/A
AC	Air Conditioning	N/A			N/A
FP	Fire Protection	46	\$65	\$49	\$3,000
LP	Light and Power	61	\$123	\$123	\$7,500
CM	Communications	46	\$26	\$20	\$1,200
TS	Transportation Systems				N/A
SS	Special Services	N/A			N/A
Services Subtotal (SF to SS)				\$192	\$11,700
PR	Proportion of Preliminaries			\$33	\$2,000
BUILDING COST TOTAL				\$415	\$25,340

SINGLE BUILDING COST PLAN

		Tick one box			
Evaluation Phase (Business Case)		<input checked="" type="checkbox"/>		Cost Plan Date	14-Jan-20
Project Defn/Brief Final – Indicative Cost				Building Cost Index	177.5
Schematic Design – Prelim Estimate					
Design Developmnt – Limit of Cost Estimate					
Contract Document – Tender Estimate					
Building	Aberdeen Garage				
Number of Storeys	1	Fully Enclosed Covered Area		400	
Location	121 Aberdeen St, Northbridge	Unenclosed Covered Area		1,200	
Functional Unit		Gross Floor Area (GFA)		1,600	
Function Quantity		Usable Floor Area			
Code	AIQS Element	Elemental Quantity	Elemental Rate	GFA Rate	Elemental Cost
SB	Substructure	400	\$275	\$1,803	\$110,000
CL	Columns	N/A			N/A
UF	Upper Floors	N/A			N/A
SC	Staircases	N/A			N/A
RF	Roof	N/A			N/A
EW	External Walls	N/A			N/A
WW	Windows	12	\$2,083	\$16	\$25,000
ED	External Doors	3	\$12,000	\$23	\$36,000
NW	Internal Walls		Insert N/A	Insert N/A	
NS	Internal Screens and Borrowed Lights		Insert N/A	Insert N/A	
ND	Internal Doors		Insert N/A	Insert N/A	
Superstructure Subtotal (CL to ND)				\$38	\$61,000
WF	Wall Finishes	320	\$65	\$13	\$20,800
FF	Floor Finishes	400	\$5	\$1	\$2,000
CF	Ceiling Finishes	400	\$10	\$3	\$4,000
Finishes Subtotal (WF to CF)				\$17	\$26,800
FT	Fitments	1	\$25,000	\$16	\$25,000
SE	Special Equipment				N/A
Fittings Subtotal (FT & SE)				\$16	\$25,000
SF	Sanitary Fixtures	N/A			N/A
PD	Sanitary Plumbing	N/A			N/A
WS	Water Supply	N/A			N/A
GS	Gas Service	N/A			N/A
SH	Space Heating	N/A			N/A
VE	Ventilation	1	\$20,000	\$13	\$20,000
EC	Evaporative Cooling	N/A			N/A
AC	Air Conditioning	N/A			N/A
FP	Fire Protection	400	\$65	\$16	\$26,000
LP	Light and Power	1,600	\$25	\$25	\$40,000
CM	Communications	400	\$26	\$7	\$10,400
TS	Transportation Systems				N/A
SS	Special Services				
Services Subtotal (SF to SS)				\$60	\$96,400
PR	Proportion of Preliminaries			\$20	\$32,000
BUILDING COST TOTAL				\$220	\$351,200