



City of Perth

**Special Council Meeting
Minutes**

**21 January 2020
5pm**

**Council Chamber
Level 9
Council House**

APPROVED FOR RELEASE

**MURRAY JORGENSEN
CHIEF EXECUTIVE OFFICER**



City of Perth

**Special Council Meeting
Minutes**

**21 January 2020
5pm**

**Council Chamber
Level 9
Council House**

Present

Chair Commissioner Andrew Hammond
Commissioner Len Kosova

Minutes to be confirmed at the next Ordinary Council meeting.

**THESE MINUTES ARE HEREBY CERTIFIED AS
CONFIRMED**

PRESIDING MEMBER'S SIGNATURE

DATE:-----

Minutes of the Special Ordinary Meeting of the Council of the City of Perth held in the Council Chamber, Ninth Floor, Council House, 27 St Georges Terrace, Perth, on Tuesday, 21 January 2020.

Presiding: **Chair Commissioner, Andrew Hammond**

Commissioners in Attendance:

Commissioner Len Kosova

Officers in Attendance:

Mr Jorgensen	Chief Executive Officer
Mr Parker	General Manager Corporate Services
Ms Banks-McAllister	General Manager Community Development
Mr Kopec	General Manager Infrastructure and Operations
Mr Miragliotta	General Manager Planning and Economic Development
Mr Ridgwell	Manager Governance
Ms Rutigliano	Governance Officer

Observers:

One member of the public

Five members of staff

No members of the media

1. Prayer / Acknowledgment of Country

The Chief Executive Officer read the prayer.

The Chair Commissioner read the Acknowledgement of Country.

2. Declaration of Opening

5.01pm The Chair Commissioner declared the meeting open.

3. Apologies

Commissioner Gaye McMath

4. Question Time for the Public and Notification of Deputations

4.1 Question Time for the Public

Nil

4.2 Notification of Deputations

Nil

5. Disclosures of Members' Interests

Nil

6. Matters for which the Meeting may be Closed

Nil

7. Reports

Item 7.1 Australian Bushfire Appeal – Donation

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:

- Advocacy *When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
- Executive *The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
- Legislative *Includes adopting local laws, town planning schemes and policies*
- Quasi-Judicial *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.*
- Information *For the Committee to note.*

Legislation / Strategic Plan / Policy:

Legislation N/A

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

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
 Strategic Priority - Social

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.

COUNCIL RESOLUTION

Moved Commissioner Kosova, seconded Commissioner Hammond

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.

The motion was put and carried

The votes were recorded as follows:

For: Commissioners Hammond and Kosova

Against: Nil

Item 7.2 WA 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:

- Advocacy *When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
- Executive *The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
- Legislative *Includes adopting local laws, town planning schemes and policies*
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- Information *For the Committee to note.*

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).

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

Table 1: Container Deposit Scheme Financial Analysis

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.

COUNCIL RESOLUTION

Moved Commissioner Kosova, seconded Commissioner Hammond

That Council:

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

The motion was put and carried

The votes were recorded as follows:

For: Commissioners Hammond and Kosova

Against: Nil

8. Closure

5.05pm The Chair Commissioner declared the meeting closed.