

MINUTES

CHIEF EXECUTIVE OFFICERS' ADVISORY COMMITTEE MEETING

(CEOAC 03/2021)

Thursday 20 May 2021
Commencing at 2:00 pm

Town of Mosman Park
Memorial Park
Bay View Terrace
Mosman Park

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WMRC Member Councils

Town of Claremont | Town of Cottesloe | Town of Mosman Park | City of Subiaco | Shire of Peppermint Grove
with Town of Cambridge

1. DECLARATION OF OPENING

Welcome and opening of meeting by Chair Don Burnett, CEO of the Shire of Peppermint Grove at 2:09pm.

2. RECORD OF ATTENDANCE AND APOLOGIES

Member	Position	Council
Mr D Burnett	Chief Executive Officer	Shire of Peppermint Grove
Ms C Bywater	Chief Executive Officer	Town of Mosman Park
Mr M Scott	Chief Executive Officer	Town of Cottesloe
Mr C Frewing	Chief Executive Officer (Acting)	City of Subiaco
Visitors	Position	Council / Organisation
Mr S Frodsham	Chief Executive Officer	WMRC
Mr P Engel	Manager Operations	WMRC
Ms L Eustance	Manager Communications & Education	WMRC

Leave of Absence

Apologies

Ms A Bell	Manager Finance & Governance	WMRC
Ms L Ledger	Chief Executive Officer	Town of Claremont
Mr K Hincks	Director Infrastructure & Works	Town of Cambridge

3. CONFIRMATION OF PREVIOUS MINUTES

Draft minutes from the CEOAC meeting held on 18 March 2021 are at **Attachment 1**.

OFFICER'S RECOMMENDATION

3.1 The minutes of the CEOAC meeting held on 18 March 2021 be accepted as a true and proper record of that meeting.

Moved: Carissa Bywater Seconded: Cliff Frewing CARRIED 4/0

4. MATTERS FOR CONSIDERATION

4.1 CONFIDENTIAL REPORT – DICOM FACILITY

The WMRC Chief Executive Officer will speak to the immediately previous confidential reports, emails and minutes which have been circulated to CEOAC members. The protocol followed is that all confidential and other information provided to WMRC Councillors is copied to CEOAC members.

The confidential reports, emails and minutes referred to above are not reproduced as an attachment to this agenda, but members are reminded they are:

DiCOM Confidential Progress Report of 25 March 2021 dealt with at the WMRC Ordinary Meeting of 1 April 2021.

Members will be updated verbally on any new developments.

Answers to questions from members will be provided where possible.

OFFICER'S RECOMMENDATION

4.1.1 The verbal report of the WMRC CEO be noted.

Moved: Matthew Scott Seconded: Carissa Bywater CARRIED 4/0

4.2 CONFIDENTIAL REPORT – WASTE TO ENERGY TENDER

Confidential item 10-6A in the WMRC OCM of 1 April contains a summary of key terms in the agreement and the then current status of discussions. Since that date negotiations have progressed well with those outstanding items and commercial terms agreed. Agreement on some minor terms awaits completion of legal drafting. The WMRC CEO will give a verbal update at the meeting.

An invitation to information sessions on 20 May 2021 at the Town of Mosman Park for Member Council staff and Elected Members has been circulated. The draft contract will be made available at WMRC's offices for Member Council CEOs to view. We are working towards a Council decision at the 4 June OCM.

OFFICER'S RECOMMENDATION

4.2.1 The verbal report of the WMRC CEO be noted.

Moved: Carissa Bywater Seconded Cliff Frewing: CARRIED 4/0

4.3 WMRC FINANCIAL MODEL REVIEW

Attachments: 2A WMRC financial performance review, 2B WMRC Fixed Fee allocations

A review of WMC's allocation of its fixed costs amongst Member Councils was discussed at the most recent CEOAC meeting (18 March 2021).

Discussion during and following the meeting demonstrates that there is still a degree of confusion about fixed costs are allocated to WMRC services and how Member Councils costs might compare with the period leading up to the introduction of the mixed fee model on 1 January 2019.

The WMRC will present this information at the meeting for further discussion.

The old model

WMRC's original model met all operational costs including overheads through gate fees. The system incentivised WMRC to make conservative budget forecasts of waste receipts from Member Councils. Any deliveries of waste above forecast would provide windfall gains.

The old model made it almost impossible for the WMRC to win additional business to provide greater throughput and develop economies of scale. At one time WMRC employed a Business Development Manager but uncompetitive gate fees meant there was no interest from the market and no additional business was developed.

High gate fees encouraged Member Councils to take their waste elsewhere – for example in 2014 when the Town of Cottesloe introduced a 3rd bin, WMRC agreed to an exemption to allow the collected greenwaste to be taken elsewhere. The loss of this throughput reduced WMRC's economy of scale and resulted in a \$25 per tonne increase in the general waste gate fee for all Member Councils.

Gate fee increases – old model

Under the old model, gate fees *excluding the waste levy* grew at an average rate of 9% per annum over the eight years to 2018-19.

Waste	2010-11 gate per tonne	2018-19 gate per tonne	Average annual rate increase %
General and bulk waste	\$116.68	\$210.00	8.8
Waste levy	\$28.00	\$70.00	14.0
Total	\$144.68	\$280.00	9.9
Greenwaste	\$50.00	\$90.00	8.8

The mixed fee model

On 1 January 2019, the mixed fee model was introduced, following a recommendation from CEOAC and approval by Council. Under the mixed fee model, around 70% of WMRC overhead costs, including wages and salaries, are met by fixed fee contributions from Member Councils. This leaves member council marginal costs (waste haulage, treatment and disposal) to be covered by gate fees, allowing the general waste gate fee for member councils to be reduced to the current rate of \$145.45 per tonne.

The remaining 30% of overheads is recovered from non-member councils, commercial customers and residents by charging gate fees consistent with competition in the market. As this side of the business grows, the proportion of overheads met by member councils shrinks.

Mixed fee model benefits

Member Councils now contribute just the right amount of overheads. If MC generate more waste than forecast, they do not pay any extra overhead. If MC generate less waste, they save the marginal cost of disposal on every single tonne reduced. The mixed fee model provides great certainty in waste

management costs and revenue for both MC and WMRC. It greatly simplifies budgeting and reduces financial risk associated with forecasting waste generation and receivables.

WMRC recovers an increasing share of its overheads from fees and charges for non-members and commercials. These commercial rates are set at market competitive levels. The overheads recovered from these sources are used to shrink the annual overhead contribution of Member Councils. Year by year.

As WMRC fulfils its Strategic Community Plan and successive Corporate Business Plans by rolling out its services across its central west catchment area, more and more overheads are recovered from non-members and commercials. The additional throughput provides WMRC with economies of scale and our average costs decline.

There have been no increases in gate fees since the last ones made under the old model as part of the 2018-19 budget approval.

WMRC's new Business Model

This approach has allowed our new business model to steadily gain traction. The business model capitalises on the strategic location of the West Metro Recycling Centre and operates as follows:

1. Minimise risk by restricting WMRC operations to receipt and transfer of waste.
2. Avoid operating or investing in waste treatment and disposal facilities – instead, contract for these services.
3. Continuously improve quality of services.
4. Continuously identify and implement measures to improve efficiency and reduce costs.
5. Grow revenue and throughput and reduce average costs by extending services across west central catchment area.
6. Pass on savings to member councils by reducing fixed fee contributions.

We fully expect that WMRC will further reduce Member Council fixed cost contributions in the 2021-22 budget, and again make no increases to gate fees, particularly due to increasing levels of business from neighbouring non-member councils.

Year	MC Fixed Costs	Change	Note
2018-19	\$1,875k	n/a	Half recovered in gate fees to 30 Dec 2018
2019-20	\$1,875k	Nil	No increase
2020-21	\$1,825k	\$50k decrease	Offset by increasing commercial revenue
2021-22*	\$1,725k	\$100k decrease	Offset by increasing commercial revenue

* Pre-budget estimate

OFFICER'S RECOMMENDATION

4.3.1 The report and presentation be noted.

CEOAC RECOMMENDATION

4.3.1 The WMRC CEO and member(s) of the WMRC management team meet with interested CEOs prior to the next CEOAC meeting to discuss and clarify the allocation of overheads.

Moved: Carissa Bywater Seconded Cliff Frewing: CARRIED 4/0

5. INFORMATION ITEMS

5.1 WMRC COUNCIL MEETING OUTCOMES

WMRC held its most recent OCM on 1 April 2021. The Council at the meeting:

- Adopted the FOGO transition briefing paper.
- Agreed that Member Councils be invited to provide a representative for the FOGO Project Control Group.
- Tasked the FOGO Project Control Group to develop a detailed project plan for a coordinated transition to FOGO for submission to CEOAC by November 2021.
- Required WMRC to provide waste to energy briefings for Member Council Elected Members.
- Required WMRC to make the waste to energy Waste Supply Agreement available for viewing by Member Council CEOs.

OFFICER'S RECOMMENDATION

5.1.1 The report be noted.

Moved: Cliff Frewing Seconded Matthew Scott: CARRIED 4/0

5.2 FOGO TRANSITION PLAN

The first meeting of the FOGO Project Control Group was held on 13 May. This Group was formed as a result of a CEOAC-initiated OCM resolution as follows:

10.4.3 WMRC works in collaboration with Member Council staff to form a plan for a coordinated transition to FOGO in line with Waste Plans and reports back with an outline plan particularly noting the financial implications of FOGO introduction and ongoing costs.

Representatives were made aware of the complexities of the transition and factors influencing the costs of both the transition to and ongoing costs of a FOGO service. Research to date from the two councils who are transitioning from GO to FOGO indicates the need for dedicated staff support within the LG over at least a 6-12 month timeline prior to the introduction of the service. The initial work includes making sure that the existing bin and property data is accurate, and that staff and Elected Members are informed. The WMRC can present to staff and Elected Members as requested and recommends that it happen well before the transition project starts.

As WMRC has been awarded the City of Vincent's FOGO haulage and processing contract from October 2021, this gives us the volume necessary to work with one Member Council as a pilot to cost effectively introduce the service in their area ahead of others. The Town of Cottesloe has made us aware of a resolution to introduce FOGO as soon as possible.

The group agreed to meet in one month.

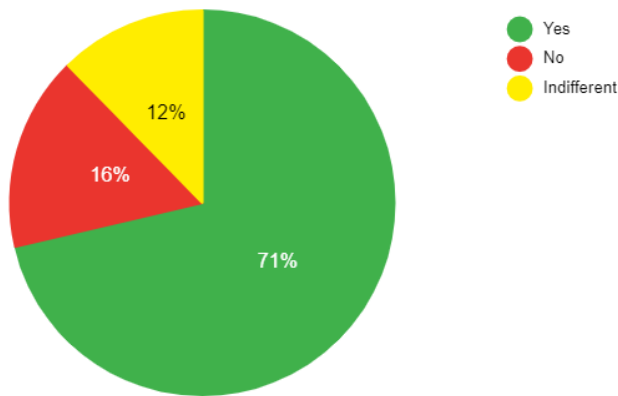
OFFICER'S RECOMMENDATION

5.2.1 The report be noted.

Moved: Matthew Scott Seconded Carissa Bywater: CARRIED 4/0

5.3 VERGE VALET™ UPDATE

Prefer Verge Valet - All Councils



The Shire of Peppermint Grove's Verge Valet introduction has been smooth, with all but 2 of the survey respondents preferring Verge Valet to the scheduled system. This is aligned with survey responses from Mosman Park and Cottesloe (82% and 76% preference respectively) and higher than those from the Town of Cambridge where user preference for the service is still running at over 50%. Overall, user preference is at 71% with 75% of users ranking the service overall at 5/5.

The service is attracting some media coverage, mostly arising from the City of Fremantle's consideration of the service.



VergeValet™

Our new logo trademark application has been accepted early and is now progressing to registration which we expect will occur later this calendar year.

This will assist greatly in protecting WMRC's intellectual property as we gradually move towards being able to offer customers a licensed version of the service.

OFFICER'S RECOMMENDATION

5.3.1 The report be noted.

Moved: Cliff Frewing Seconded Carissa Bywater: CARRIED 4/0

5.4 WASTE SERVICE PROCUREMENT

WALGA advises that local governments as best-practice should tender for waste collection services separately for waste processing and disposal services.

Tendering separately for collection and disposal promotes a more competitive market. It makes it difficult for large, vertically integrated operators to cross-subsidise collection and disposal.

Applying the best practice to recycling services would mean that Member Councils first procure the services of an MRF. In so doing, there would be no opportunity for large players to cross-subsidise MRF services with collection. With three competing MRFs, Member Councils can be assured of a competitive market.

With a MRF service procured, Member Councils can then specify a delivery point when tendering for collection services. In this way, procurement for collection will benefit from a more competitive market, especially from smaller operators who don't own and operate MRF.

There are likely significant advantages in economy of scale were the WMRC to procure a MRF service on behalf of its Member Councils. The WMRC could go to market for a schedule of rates for the processing of 5,500 tonnes (all five MC combined).

OFFICER'S RECOMMENDATION

5.4.1 The report be noted.

Moved: Cliff Frewing Seconded Carissa Bywater: CARRIED 4/0

5.5 WASTE PLANS PROGRESS

The WMRC has been progressing waste plan production with all five Member Councils. The current status is as shown below:

Council	Waste plan status as at early May 2021
Town of Claremont	Accepted by Council, with DWER for finalisation
Town of Cottesloe	Complete and approved by DWER
Town of Mosman Park	Complete and approved by DWER
Shire of Peppermint Grove	Complete and approved by DWER
City of Subiaco	Complete and approved by DWER
Western Metropolitan Regional Council	Complete and approved by DWER

All plans were submitted by the 31 March deadline. Once endorsed by DWER, the first reporting deadline is 31 October 2022 for the 2021/22 financial year.

The plans are being used as a structure for reporting progress to date and planning activities for 2021/22.

OFFICER'S RECOMMENDATION

5.5.1 The report be noted.

Moved: Matthew Scott Seconded Cliff Frewing: CARRIED 4/0

5.6 OPERATIONS REPORT

West Metro Recycling Centre throughput

Waste stream	March - tonnes	April - tonnes	1 Jul – 30 Apr tonnes
Residual waste to landfill	1,159	1,059	11,239
Greenwaste for processing	568	535	5,237
Bulk waste for recycling	208	201	1,995
C&D waste for recycling	52	54	456
Asbestos for disposal	3.5	3.2	39
Other waste	173	146	1,480
Recyclables to MRF	37	25	252
Cardboard for recycling	10	9	85
Scrap metal & fridges for recycling	8.5	11.4	68.4
E-Waste for recycling	7.3	7.5	48.2
HHW for processing	5.3	3.7	39.9
Mattresses for recycling	2.6	4.9	28.1
Tyres for recycling	0	0	3.7
Car batteries for recycling	0	1.8	12
Total	2,234	2,062	20,983

Infrastructure

- We have received the first two newly constructed waste silos, with another three to follow in the next two months. One refurbished silo will give us a total of six new silos.
- The new cardboard compactor from waste Initiative is now due to be delivered in July.

New Services

- Our new Paintback paint recycling service has commenced. The new service allows us to accept commercial quantities of paint up to 100 litres at a time.

Business development

- WMRC was successful in its proposal bid to receive FOGO collections from the City of Vincent commencing in October 2021. The City of Vincent estimates that it will collect 5,000 tonnes per

annum of FOGO waste. The FOGO material will increase the transfer station throughput by more than one-third; and increase total waste handled by the West Metro Recycling Centre by 20%.

- WMRC is in discussions with the City of Perth and the City of Wanneroo regarding use of the WMRC’s waste transfer services.
- The City of Vincent accepted WMRC’s proposal to provide Verge Valet services which are scheduled to commence across the City in January 2022.

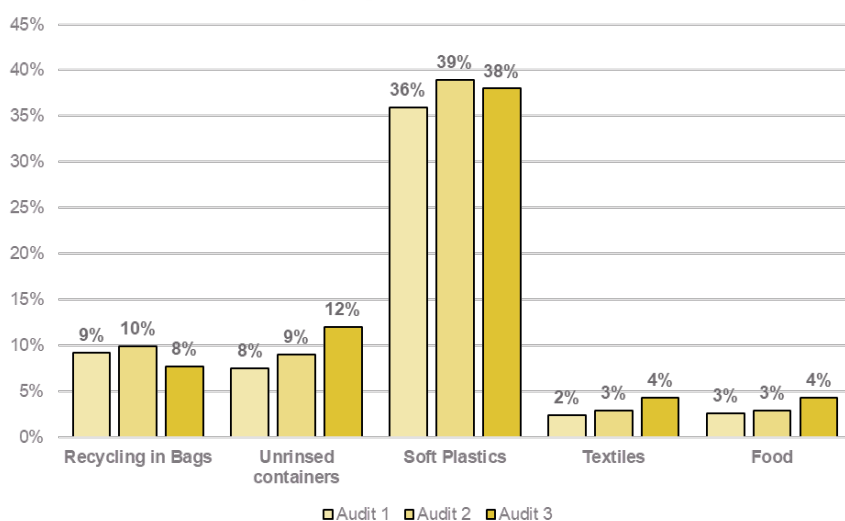
OFFICER’S RECOMMENDATION

5.6.1 The information be received.

Moved: Carissa Bywater Seconded Matthew Scott: CARRIED 4/0

5.7 COMMUNICATIONS AND EDUCATION REPORT

Recycling bin contamination



The bin-tagging program has been completed in Mosman Park and Claremont. This program is largely funded by DWER and administered through WALGA.

Results indicate that soft plastics in the recycling bin remain by far the most frequent contaminant being seen in nearly 40% of recycling bins. Our programs will increase focus on that issue.

Across the period, we saw contamination in only around 7% of GO bins. We are continuing our

“Clean Green Bins” program with collection contractors and Member Council representatives as keeping our GO bins contamination free is important to protect our low processing rate.

A full report on the program is available on request.

Other specific activities underway or progressed in this period are listed below:

- Ongoing assistance to residents on Verge Valet and other queries
- Advertising including monthly Post newspaper advertising half page and active social media
- Progress of coordinated waste calendars
- A tour of SMRCs RRRC combined with a Waste Watchers presentation
- A composting workshop

OFFICER’S RECOMMENDATION

5.7.1 The report be noted.

Moved: Cliff Frewing Seconded Carissa Bywater: CARRIED 4/0

5.8 FINANCIAL REPORT

The WMRC continues to perform well:

- For March 2021, the WMRC had an operating deficit of \$186,199 compared to a budgeted deficit of \$185,740 with a negative variance of \$459. See **Attachment 3a** for a Statement of Comprehensive Income and Statement of Financial Position as of 31 March 2021.
- The figures for April 2021 are not yet available.

OFFICER'S RECOMMENDATION

5.8.1 The report be noted.

Moved: Cliff Frewing Seconded Matthew Scott: CARRIED 4/0

5.9 PROGRESS ON CEOAC RECOMMENDATIONS

An updated table highlighting the status of all CEOAC recommendations through to 14 May 2021 is provided at **Attachment 4**. All recommendations have been actioned or in progress apart from one on hold pending the resolution of the legal dispute with DiCOM.

The table is presented at each CEOAC meeting with completed items being presented once.

OFFICER'S RECOMMENDATION

5.9.1 The report be noted.

Moved: Carissa Bywater Seconded Cliff Frewing: CARRIED 4/0

6. GENERAL BUSINESS

7. CLOSURE OF MEETING

The meeting closed at 3:21pm

Next Meeting

Thursday 15 July 2021, 14:00 hrs at the West Metro Recycling Centre (TBC)

MINUTES

CHIEF EXECUTIVE OFFICERS' ADVISORY COMMITTEE MEETING (CEOAC 02/2021)

Thursday 18 March 2021
Commencing at 2:00 pm

**Town of Claremont
308 Stirling Highway
Claremont 6010**

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WMRC Member Councils

Town of Claremont | Town of Cottesloe | Town of Mosman Park | City of Subiaco | Shire of Peppermint Grove
with Town of Cambridge

1. DECLARATION OF OPENING

Welcome and opening of meeting by Deputy Chair Liz Ledger, CEO of the Town of Claremont at 2:10pm.

2. RECORD OF ATTENDANCE AND APOLOGIES

Member	Position	Council
Ms L Ledger	Chief Executive Officer	Town of Claremont
Ms C Bywater	Chief Executive Officer	Town of Mosman Park
Mr M Scott	Chief Executive Officer	Town of Cottesloe
Mr G Stead	Acting Director Technical Services	City of Subiaco
Mr M Costarella (to 2:20pm)	Manager Corporate & Community Services	Shire of Peppermint Grove
Visitors	Position	Council / Organisation
Mr S Frodsham	Chief Executive Officer	WMRC
Ms A Bell	Manager Finance & Governance	WMRC
Ms L Eustance	Manager Communications & Education	WMRC
Mr K Hincks	Director Infrastructure & Works	Town of Cambridge

Leave of Absence

Mr D Burnett	Chief Executive Officer	Shire of Peppermint Grove
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Apologies

Mr P Engel	Manager Operations	WMRC
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3. CONFIRMATION OF PREVIOUS MINUTES

Draft minutes from the CEOAC meeting held on 21 January 2021 are at **Attachment 1**.

CEOAC and OFFICER'S RECOMMENDATION

3.1 The minutes of the CEOAC meeting held on 21 January 2021 be accepted as a true and proper record of that meeting.

Moved: Carissa Bywater Seconded: Matthew Scott CARRIED: 5/0

4. MATTERS FOR CONSIDERATION

4.1 Confidential Report – DiCOM Facility

The WMRC Chief Executive Officer will speak to the immediately previous confidential reports, emails and minutes which have been circulated to CEOAC members. The protocol followed is that all confidential and other information provided to WMRC Councillors is copied to CEOAC members.

The confidential reports, emails and minutes referred to above are not reproduced as an attachment to this agenda, but members are reminded they are:

- DiCOM Confidential Progress Report of 27 January 2021 dealt with at the WMRC Ordinary Meeting of 4 Feb 2021.

Members will be updated verbally on any new developments.

Answers to questions from members will be provided where possible.

CEOAC and OFFICER'S RECOMMENDATION

4.1.1 The verbal report of the WMRC CEO be noted.

Moved: Carissa Bywater Seconded: Matthew Scott CARRIED: 4/0

4.2 Confidential Report – Waste to Energy Tender

At the OCM of 4 Feb 2020, the WMRC Council authorised the CEO to negotiate minor variations to the draft Waste Supply Agreement with East Rockingham Waste to Energy prior to the agreement being brought before Council for decision.

There are minor issues still under discussion with the proponents and these will be detailed at the meeting.

OFFICER'S RECOMMENDATION

4.2.1 The verbal report of the WMRC staff be noted.

The members of CEOAC requested a chance to view the Waste Supply Agreement prior to signature.

CEOAC RECOMMENDATION

4.2.1 The verbal report of the WMRC staff be noted

4.2.2 A copy of the draft agreement be provided to CEOAC members with a briefing offered by the WMRC to Member Council Elected Members

Moved: Gray Stead Seconded: Matthew Scott CARRIED: 4/0

4.3 FOGO Transition Plan

This item arises from a recommendation from the 21 January CEOAC meeting and subsequent WMRC Ordinary Council Meeting resolution of 4 February:

10.4.3 WMRC works in collaboration with Member Council staff to form a plan for a coordinated transition to FOGO in line with Waste Plans and reports back with an outline plan particularly noting the financial implications of FOGO introduction and ongoing costs.

Attachment 2 is a briefing paper on coordinating the transition to FOGO. Linking to the WMRC Member Council waste plans, it contains estimates of FOGO generation rates, discusses possible gate fees and processing capacity and models both changeover and ongoing operational costs by household.

Changeover costs are minimised by Member Councils changing over to FOGO in the same period. DWER's 'Better Bins Go FOGO' funding largely offsets the changeover cost if design and print of community communications material is coordinated. Operational savings are dependent on an increase to the Waste Levy, sufficient waste volume and high FOGO yield rates through diversion from the general waste bin. Resident confusion and hence contamination in the FOGO and GO streams are minimised through a coordinated changeover.

The paper proposes the formation of a Project Control Group including a member from each Member Council to draw up a more detailed plan over the next 6-12 months with a view to FOGO being in place across the region by end 2024.

CEOAC and OFFICER'S RECOMMENDATIONS

4.3.1 CEOAC recommend the draft Briefing Paper for adoption by Council to guide a FOGO transition.

4.3.2 CEOAC members each select a representative for the FOGO Project Control Group which is to be chaired by a WMRC representative.

4.3.3 The FOGO Project Control Group develops a detailed project plan for a coordinated transition to FOGO for submission to CEOAC by November 2021.

Moved: Matthew Scott Seconded: Carissa Bywater CARRIED: 4/0

4.4 WMRC Fixed Costs Review

At the January 2021 CEOAC meeting, a review of the breakdown of the allocation of the WMRC's fixed costs was requested.

In 2020-21, WMRC fixed costs of \$1,825,372 were apportioned among Member Councils on a population basis. These shared fixed costs were \$50,000 lower than 2019-20. Total fixed costs for 2020-21 are \$2,562,458. With Member Councils services being charged at close to marginal cost, the additional

\$737,086 in fixed costs is largely being sourced from the WMRC services provided to commercial customers, residents and non-member councils.

The following chart illustrates the breakdown of the \$1.825M in member council fixed cost contributions.

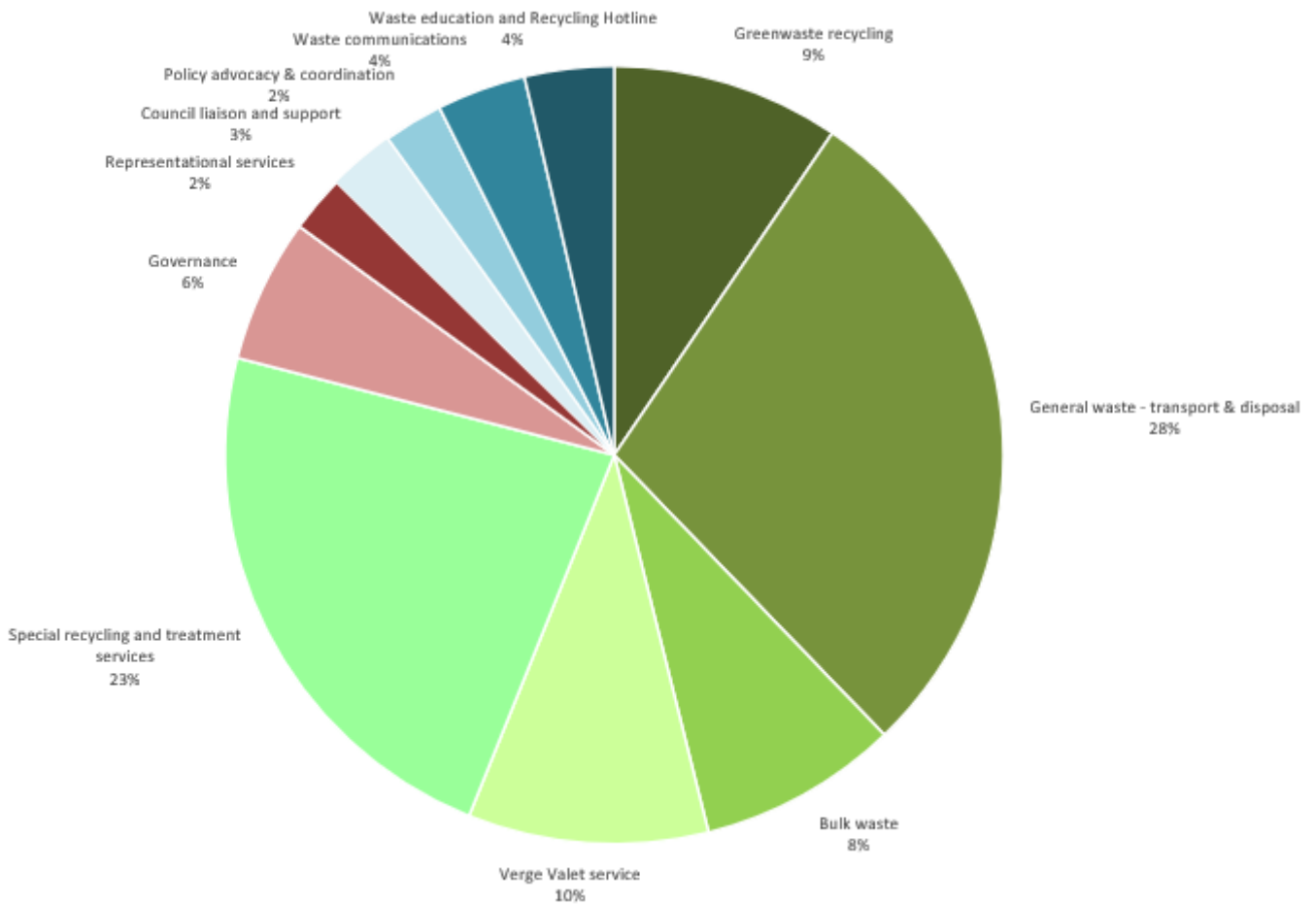
Notable are:

- WMRC's fixed costs are concentrated in waste management operational services.
- Governance costs are low at just 6 percent of Member Council fixed cost contributions.

The distribution of costs reflects the WMRC's success in introducing new and expanded services without adding to costs. Since the mixed fee model was introduced two years ago these new services have included:

- the pre-booked bulk waste service Verge Valet™, now operating in four local governments
- the waste planning service (with waste plans already approved by DWER for Subiaco, Peppermint Grove and WMRC)
- construction and demolition waste recycling service
- new community drop off services for bulk polystyrene, x-rays, sporting goods, stationery, plant pots and cooking oil
- development of waste to energy service
- online waste education
- new and improved education and promotion via social and print media.

WMRC Fixed Costs 2020-21 \$1.82m



It is also useful to consider the above distribution of fixed costs within the context of the overall financial performance of the WMRC, including that there has been no increase in fees and charges for member councils since the setting of the 2018-19 budget.

Year	Revenue \$	Other income \$	Expenses \$	Loss on disposals \$	Net loss \$
2017-18	5,204,639		6,387,497		1,182,857
2018-19	5,196,410	225,454	5,934,329	59,049	571,514
2019-20	5,614,834		5,971,044	93,755	449,965
2020-21*	5,517,169		5,770,092		252,922

* Budget

CEOAC and OFFICER'S RECOMMENDATION

4.4.1 The report be noted.

Moved: Carissa Bywater Seconded: Gray Stead CARRIED: 4/0

5. INFORMATION ITEMS

5.1 WMRC Council Meeting Outcomes

WMRC held its most recent OCM on 4 February 2021. The Council at the meeting:

- Authorised the CEO to negotiate minor amendments to a draft Waste Supply Agreement with preferred tenderer East Rockingham Waste to Energy.
- Resolved that WMRC works in collaboration with Member Council staff to form a plan for a coordinated transition to FOGO including financial implications.
- Resolved that an updated breakdown of the components of the fixed fee be provided to the next CEOAC meeting.
- Approved the WMRC Corporate Business Plan 2020-21 to 2024-24, Long Term Financial Plan 2020-21 to 2029-30, and Asset Management Plan 2020-21 subject to correction of minor typographical errors.
- Adopted a Revised 2020-21 Budget
- Confirmed that there are no changes to the WMRC 2020-21 Fees and Charges
- Adopted a new scale of remuneration for elected members.

CEOAC and OFFICER'S RECOMMENDATION

5.1.1 The report be noted.

Moved: Matthew Scott Seconded: Carissa Bywater CARRIED: 4/0

5.2 Verge Valet™ update

With the Shire of Peppermint Grove's first collections on 8 March, there are now four councils participating in Verge Valet™.

The program has been presented to the City of Vincent councillors and to staff at the City of Fremantle and interest is ongoing from across the metro area and beyond. We are progressing with trademarking and website redevelopment to accommodate expected expansion.

Now that we have a full 12 months of data from Mosman Park we can report the following statistics:

Waste quantities by comparison with MyCouncil site (2018/19 data):

- Bulk waste decrease by 33% (from 316T to 213T)
- Green waste decrease by 53% (from 303T to 141T – note GO bin introduction will have contributed to this decrease)
- 150kg average per collection

Cost of service:

- Annual cost of this service is 33% less than projected scheduled service cost
- Annual cost is 8% less than budget cost

Resident participation:

- 34% households have booked a bulk waste collection and 22% have booked green waste collection
- 80% of users prefer Verge Valet to the scheduled system

CEOAC and OFFICER'S RECOMMENDATION

5.2.1 The report be noted.

Moved: Carissa Bywater Seconded Matthew Scott: CARRIED: 4/0

5.3 Waste Plans Progress

The WMRC has been progressing waste plan production with all five Member Councils. The current status is as shown below:

Council	Waste plan status as at early March 2021
Town of Claremont	To be presented to Council Mar 2021
Town of Cottesloe	Accepted by Council, with DWER for finalisation
Town of Mosman Park	Accepted by Council, with DWER for finalisation
Shire of Peppermint Grove	Complete and approved by DWER
City of Subiaco	Complete and approved by DWER
Western Metropolitan Regional Council	Complete and approved by DWER

The deadline for submission to DWER is 31 March 2021. Once endorsed by DWER, the first reporting deadline is 31 October 2022 for the 2021/22 financial year.

Each Member Council's status against DWER targets is as shown below using 2018/19 data as published on the My Council website and data reported in the waste plans:

	Avoid		Recover				Protect		
	Per capita generation 2024/25	Per capita generation 29/30	Material Recovery rate 2020	Material Recovery rate 2025	Material Recovery rate 2030	3 bin FOGO collection by 2025	% disposed to landfill	Illegal Dumping	Littering
DWER targets	5% reduction from	10% reduction	65%	67%	70%	yes	No more than 15%	Towards zero	Towards zero
Claremont (2018/19 data)	13% decrease	13% decrease	33% (GO 2020)	33% (GO 2020)	33% (GO 2020)	BP 2022 intro 2025	67%	steady but minor	steady but minor
Cottesloe (2018/19 data)	7% increase	7% increase	48%	48%	48%	BP 2021 intro 2025	52%	not a major issue	not a major issue
Mosman Park (2018/19 data)	11% decrease	11% decrease	32% (GO 2019)	32% (GO 2019)	32% (GO 2019)	BP 2021 intro 2025	68%	reliable data gathering	reliable data gathering
Peppermint Grove (2018/19 data)	41% decrease*	41% decrease*	27% (GO 2020)	27% (GO 2020)	27% (GO 2020)	BP 2023 intro 2025	73%	not an issue	not an issue
Subiaco (2018/19 data)	10% decrease	10% decrease	35%	35%	35%	BP 2021 intro 2025	65%	not a major issue	not a major issue

* Peppermint Grove Waste Census data 2014/15 known to be overstated

The introduction of a FOGO three bin system will assist in meeting the material recovery targets; consigning residual (red lid) bin waste for energy recovery will also be required to meet the first of the protect targets.

CEOAC and OFFICER'S RECOMMENDATION

5.3.1 The report be noted.

Moved: Matthew Scott Seconded: Carissa Bywater CARRIED: 4/0

5.4 Town of Cambridge Participating Council report

Under the terms of the Participating Council MOU we provide the Town of Cambridge with a report of their residents' usage level of the West Metro Recycling Centre under three headings:

Measurement	Results
Numbers of residents calling at the [Recycling] Centre	Over 2000 free carloads and a further 1000 paid transactions
Quantity of materials recycled	69T green waste, 174T bulk waste and quantities of specific recyclables
Results of customer satisfaction survey	No Cambridge residents completed the customer satisfaction survey

CEOAC and OFFICER'S RECOMMENDATION

5.4.1 The report be noted.

Moved: Carissa Bywater Seconded: Matthew Scott CARRIED: 4/0

5.5 Operations Report

West Metro Recycling Centre throughput

Waste stream	Jan - tonnes	Feb - tonnes	YTD - 8 months
Residual waste	1,112	1,047	9,011
Greenwaste	498	541	4,753
Bulk waste	242	266	1,667
C&D waste	28	25	349
Asbestos	3	6	35
Cardboard - out	10	10	66
E-Waste - out	4	7	33
Other - out	46	58	566
Total	1,942	1,954	16,481

Procurement and upgrade of plant and equipment

WA BOS is on track fabricating the waste transport silos and the first two silos will be tested by the end of March before painting.

We identified one old silo which is in a condition good enough to be refurbished. The refurbishment is priced competitively at \$23k.

WA BOS will start the fabrication of 4 new deflector plates for the transfer station after completion of the silo built which is estimated to start at the end May.

The weighbridge office refit was completed on 13 March.

The new cardboard compactor from Waste Initiative is ordered and is due to be delivered in May. We engaged with a concreter and civil plumber who will prepare the area where the compactor will be installed. This will increase the dimension of usable land on our premises.

New Services

The Recycling Centre started to offer our residents cooking oil collection and recycling as a new free service:

Bicycle collection for charitable organisations free cooking oil collection for recycling.

WMRC and WALGA finalised and signed an agreement with the product stewardship program Paintback. This agreement will reduce the cost of handling paint through the HHW scheme.

Business development

WMRC has bid to receive FOGO collections from the City of Vincent commencing in October 2021.

CEOAC and OFFICER'S RECOMMENDATION

5.5.1 The information be received.

Moved: Gray Stead Seconded: Carissa Bywater CARRIED: 4/0

5.6 Communications and Education Report

Specific activities underway or progressed in this period are listed below:

- Ongoing assistance to residents on Verge Valet and other queries
- Planning and coordination for the launch of the bin-tagging program in Mosman Park and Claremont
- Advertising including monthly Post newspaper advertising half page and active social media
- Ongoing website redesign driven by analysis of website traffic information
- Production of new Waste Sorted compliant bin stickers
- Two Waste Watchers Workshops
- Finalise design and trial of new materials for schools' incursions and community activities
- Collaboration with Town of Claremont on Secrets of Sustainable Shopping event
- Launch of structured volunteer program
- Progress of coordinated waste calendars

CEOAC and OFFICER'S RECOMMENDATION

5.6.1 The information be received.

Moved: Matthew Scott Seconded: Carissa Bywater CARRIED: 4/0

5.7 Financial Report

The WMRC continues to perform well:

- For January 2021, the WMRC had an operating surplus of \$788,185 compared to a budgeted surplus of \$826,617 with a negative variance of \$38,432. See **Attachment 3a** for a Statement of Comprehensive Income and Statement of Financial Position as of 31 January 2021.
- For February 2021, the WMRC had an operating deficit of \$146,174 compared to a budgeted operating deficit of \$131,708 with a negative variance of \$14,466.20. See **Attachment 3b** for a Statement of Comprehensive Income and Statement of Financial Position as of 31 December 2020.
- As of 28 February 2021, Council had a provisional operating surplus of \$431,005 compared to a budgeted operating surplus of \$420,003 with a positive variance of \$11,002.
- As of 31 December, revenue for the year-to-date was provisionally 0.7% below budget (revised) and expenses 1% below budget (revised).
- For the same period last financial year, the WMRC had an operating deficit of \$443,861 compared to a budgeted operating deficit of \$252,843 with a negative variance of \$191,018. Year to date revenue was 0.6% above budget and expenses were 0.3% below budget.
- The WMRC mid-year budget review saw no increases in fees and charges for member councils, continuing a record since the setting of the 2018-19 budget.

Note: February 2021 figures are subject to minor changes.

CEOAC and OFFICER'S RECOMMENDATION

5.7.1 The information be received.

Moved: Carissa Bywater Seconded: Matthew Scott CARRIED: 4/0

5.8 Progress on CEOAC Recommendations

An updated table highlighting the status of all CEOAC recommendations through to 11 March 2021 is provided at **Attachment 4**. All recommendations have been actioned apart from one on hold pending the resolution of the legal dispute with DiCOM.

The table is presented at each CEOAC meeting with completed items being presented once.

CEOAC and OFFICER'S RECOMMENDATION

5.8.1 The report be noted.

Moved: Matthew Scott Seconded: Carissa Bywater CARRIED: 4/0

6. GENERAL BUSINESS

The CEOs suggested an invitation to view the West Metro Recycling Centre be forwarded to the new Minister for the Environment, Climate Action and Commerce.

7. CLOSURE OF MEETING

The meeting closed at 3:42pm

Next Meeting

Thursday 20 May 2021, 14:00 hrs.at the Town of Claremont

Briefing paper: Coordinating the FOGO transition

March 2021

SUMMARY

All WMRC Member Councils need to add the collection of food organics to their existing garden organics collection systems by 2025 in line with their waste plans and the *State Waste Strategy 2030*. But when and how should the change occur to minimise costs and resident confusion?

Answering these questions requires considering interlinked and evolving factors including processing facility availability, product market development, material volume, collection truck logistics, existing bin systems, community expectations and education requirements. These factors affect change-over costs, change-over timing, and ongoing costs.

The WMRC Council resolved the following at its OCM of 3 February 2021:

10.4.3 WMRC works in collaboration with Member Council staff to form a plan for a coordinated transition to FOGO in line with Waste Plans and reports back with an outline plan particularly noting the financial implications of FOGO introduction and ongoing costs.

This report does not consider or justify the reasons for a change to a FOGO collection system, rather it deals with the logistics and planning of doing so.

This report constitutes a preliminary exercise in ventilating the issues around Member Councils' FOGO transition; and recommends a fuller project planning exercise be undertaken once necessary Member Council approval to collaborate is obtained. FOGO rollout is anticipated to be between 2023 and 2025.

BACKGROUND

Waste Plans

The *Waste Avoidance and Resource Recovery Strategy 2030* (the Strategy) has a headline target for all Perth and Peel councils provide their residents in single unit dwellings with a consistent three bin FOGO system by 2025. All WMRC Member Councils have committed to this date or before in their Waste Plans with business cases being developed between 2021 and 2023.

A summary of the references to FOGO in Member Council and WMRC Waste Plans is provided in the table below:

	Action summary	Business case development by	Implementation date by	Notes
Claremont	Provide FOGO service to SUDs	July 2022	2025	
Cottesloe	Implement FOGO to SUDs	July 2021	2023	
Mosman Park	Introduce FOGO to SUDs	July 2021	2025	FOGO in place as soon as a commercially sustainable processing option is available
Peppermint Grove	Introduce FOGO to all eligible residents	July 2023	2025	
Subiaco	Provide FOGO services to SUDs	July 2021	2025	Note; Also provides FO services to commercials and some MUDs
	Expand FO collection services in MUDs and Commercial properties		In 100 properties by 2025	
WMRC	Prepare for FOGO receipt		In place by Mar 2021	

Table 1: WMRC Member Council waste plan summaries

Waste to Energy

Waste to energy provision for residual waste is another major change to the processing of household waste that is becoming available in the same time frame. Whereas the waste to energy plant licensing conditions are understood not to include any prohibition on the supply of either food or garden organic material, they do note that the waste to energy plants are to be used only for the processing of waste after the application of a better practice source separation system. In essence, this is defined as waste from a three bin FOGO system.

DWER have made the point very clear that waste plans that do not acknowledge the requirement to provide a consistent three bin system with FOGO collection will not be endorsed. WMRC Member Council waste plans acknowledge this requirement by including that waste to energy processing may be applied for a limited period only to the residual waste from a collection system

that includes the separation of garden organics only. Once FOGO systems are in place, waste to energy will be used only for residual household waste.

PROCESSING

The West Metro Recycling Centre is now licensed to receive up to 10,000 tonnes per annum of FOGO material. The licence allows us to store the material on site for a maximum of 24hrs. The overall Member Council generation rate is estimated according to the following three cases:

1. FOGO generation rates from SMRC 2018 FOGO trial of 3.29kg/person/week, and 2016 ABS population data WMRC Member Councils.
2. FOGO generation rates from SMRC 2018 FOGO trial 3.29kg/person/week and WA tomorrow population dataset (as used in DWER modelling).

FOGO generation rates observed 2021 in SMRC Member Councils after the introduction of a FOGO service to all SUDs and some MUDs and 2016 ABS population data.

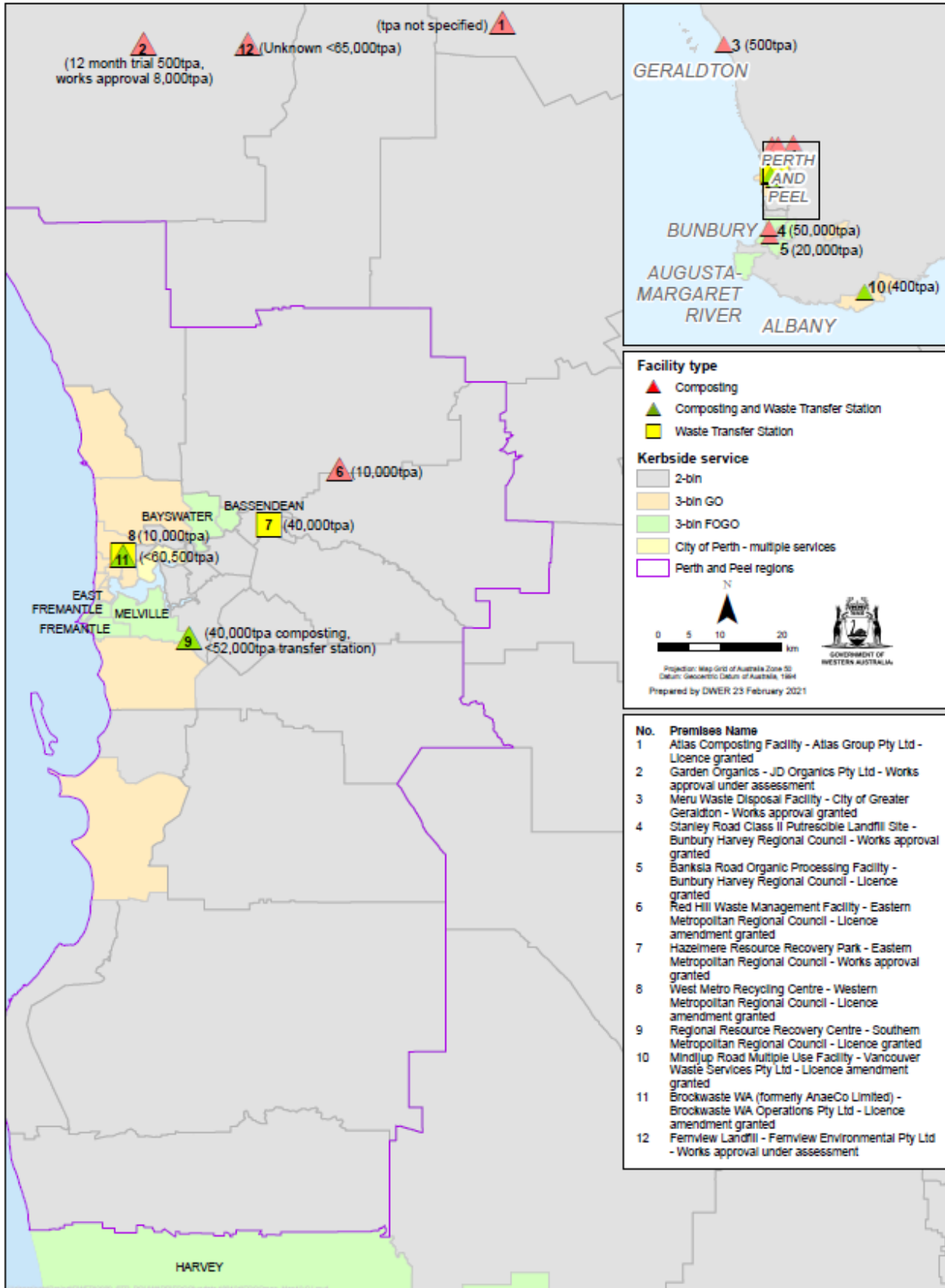
	No of residences (ABS Quickstats - Subi website)	% SUDs (including townhouses and units)	# SUDs	Case 1 Tonnes/annum	Case 2 Tonnes/annum	Case 3 Tonnes/annum
Claremont	4758	63%	3002	1232.6	1472	1592.3
Cottesloe	3632	81%	2946	1209.6	1243	1562.6
Mosman Park	4062	77%	3111	1277.4	1275	1650.1
Peppermint Grove	619	88%	546	224.2	245	289.6
Subiaco	7894	63%	4981	2045.2	2542	2641.9
TOTAL	20965		14586	5988.9	6777	7736.4

Table 2: anticipated WMRC FOGO generation rates

This modelling is all based on 2.4 residents per household (Mosman Park average ABS 2016) and the Town of Cottesloe's total Garden Organics (GO) generation rate from the most recent reported data of 900.4T

Current FOGO processing capacity in the Perth area is limited, with most being distant from population centres as the following map (DWER Feb 2021) shows. The West Metro Recycling Centre is the site of the only licensed FOGO transfer station in the inner metro area and therefore could have an important role in the efficient transfer of FOGO material from surrounding councils to distant processing facilities (see map below).

**FOGO: Local government FOGO services
Transfer / composting facilities**



Map1: location of FOGO relevant facilities (DWER 2021)

The WMRC has not yet fixed a gate price for FOGO material receipt. To do so, we must receive acceptable rates from one or more FOGO processors. Indications of possible initial WMRC gate fees are in the table below based on processing rates received recently:

Processor, location	Haulage distance (1 way)	Comments	Initial indicative gate fee
SMRC / Purearth , Canning Vale and Wootatting	93km	Pre-sort at Canning Vale and then haul to Purearth. Currently handling FOGO for SMRC's Member Councils. Developing onsite composting facilities.	\$130-\$170 (average \$150)
BHRC, Dardanup	177km	Currently processing FOGO for its Member Councils. Expanding facility by late 2021 to cater for demand from other councils	\$110
Brockwaste (DiCOM), Shenton Park	0km	Process unproven. No lease. Licence granted.	\$110
EMRC Red Hill	51km	Currently licensed only for a trial facility, 10,000tpa. Fully committed to own Member Councils. Full facility estimated for completion mid-2022.	No quote available

Table 3: FOGO processors and indicative WMRC gate fees

Except from the problematic Brockwaste option, these prices are dependent on receipt of around 25T of material at WMRC per day. Using the assumptions in the overall FOGO generation table above, and assuming that WMRC is not operating a FOGO transfer service for any other local government, this would require daily deliveries generated by at least four and preferably five Member Councils starting their FOGO service at the same time.

There is still a long way to go in developing FOGO processing capacity sufficient to meet the projected supply across Perth and Peel of 411,000 tpa by 2025/26. Given the State Government target, it is expected that more processors will come on stream over the next few years. This will have an obvious impact on processing prices.

FOGO PRODUCT MARKETING

DWER has contracted GHD to develop a market development strategy for FOGO-derived material with a final report due June 2021. Current markets include the following (with existing market share in brackets, AORA 2020)

- urban amenity/landscaping (52.5%),
- intensive agriculture/horticulture (26.3%)

- rehabilitation (2.3%)
- remediation (4.1%)
- other uses including extensive agriculture (15%)

40.1% of the product is sold as composted soil conditioners, 33.7% as soil and blends and the rest as mulches and potting mix.

Work by WRAP (UK) found that the perceived risks of FOGO-derived material were significantly higher than the real risks. Processors require a very low level of contamination in their FOGO stream to process the material to Australian Standard 4454 borne out by the AORA survey which quotes input material contamination among its highest obstacles to growth of the industry. It is important therefore that contamination levels in FOGO bins are kept as a low as possible (to about 2% or 3%). It is likely that processors may increase contractual costs alongside increased contamination.

FINANCIAL CONSIDERATIONS

The cost of changing from a GO service to a FOGO service has two parts.

Changeover costs:

Changeover costs come in three parts:

- A. supply and distribution of kitchen caddies and compostable liners to residents. Repeated experience shows failing to provide these means that the food organics material generated by households are not recovered, leaving the LG with an expensive GO bin service.
- B. the supporting education and communications materials and program. This is particularly important as the kerbside bins are the same as GO bins; the change is in which materials can be put in the bins and the frequency with which the bins are collected.
- C. supply of FOGO bins to those SUDs on blocks too small to warrant GO bins and associated reduction in residual bin size where appropriate.

Under DWER's 'Better Bins Go FOGO' funding, each of the WMRC Member Councils are eligible for a funding contribution to these changeover costs. For systems introduced in FY 2021/22 (for which applications close on 31 March 2021) this is \$14 per service reducing by \$1 per financial year. Applications for funding must be made by end March of the preceding year. The funding program is non-competitive but relies on the budget amount set aside by DWER for the full program. This means funding may run out, leaving the cupboard bare for latecomers. DWER have indicated that they would be unlikely to grant funding in circumstances where Local Governments have not reduced the size of their residual bins on introducing GO bins; this has not been tested directly with DWER.

The Town of Cottesloe applied for funding for FY 2020/21, and this will carry over at \$14 per service for FY 2021/22. Modelling included in the Town of Cottesloe's 'Better Bins Go FOGO' grant application indicated that the DWER funding covered almost half of the changeover cost. The funding will be a lower proportion for the City of Subiaco which will need to purchase a significant number of FOGO bins.

A. Caddies and liners

WMRC has investigated economies of scale savings derived from purchasing caddies and liners on behalf of all Member Councils. According to the leading supplier, indicative prices for delivery of caddies and liners to a single location in WA decreases by 22% on a per property basis as below:

Number of Households	Total Per Property (1x caddy and 2 x Rolls of 75 liners Per Property)	
3000	\$	18.08
5000	\$	17.62
7000	\$	16.44
8000	\$	15.27
15000	\$	14.41
21000	\$	14.04

Table 4: indicative caddy and liner process per household

This supplier also provides a caddy and liner distribution service at extra cost which also verify and clean local government's property databases.



Image 1: sample caddies and liners

B. Education and Communications materials

The change from GO to FOGO will be a source of confusion for residents particularly as the kerbside bins do not change, but the collection frequency and contents do. This also indicates that coordination of the changeover timing is preferred.

WMRC will work with Member Council staff to design and roll out a consistent and effective communications program for residents. This is likely to include:

- Brochures/ waste calendars
- Website copy/ FAQs
- Social media campaign

- Bin stickers
- Posters/banners
- Displays (staffed or not)
- Resident communication sessions
- Front desk FAQs/ training
- Signature blocks
- Bin tagging
- Caddy/liner information if not already provided by supplier

Consistent communications will be based on material from both DWER Waste Sorted and Recycle Right (SMRC) which can be adapted easily for design purposes.

Economies of scale will apply to a coordinated design and print program for physical collateral. We anticipate WMRC may cover design costs and potentially printing if all Member Councils participate. We anticipate design costs to be in the order of \$2,000 to \$3,000 with per unit print costs decreasing with the number of units printed together.

C. Kerbside bin changes.

This will have a different impact on each Member Council depending on the number of SUDs who do not already have GO bins (likely to be those on blocks under 400m²). For Subiaco, this will be the cost of supplying FOGO bins to all SUDs as this system will supersede the current GO bag service. WMRC is unable to provide estimates of the cost of this part of the changeover and it is not included in the modelling.

Operational costs:

Operational costs are modelled taking the following factors into account.

Factor	Comment
Reduction in material in the residual waste bin	Case 1: 3.29kg/person/week of FOGO. In Cottesloe, 2.1kg/person/week of GO material is already recovered (2019/20), resulting in an estimated reduction of residual bin material of 1.19kg/person/week. Case 3: 4.5kg/person/week of FOGO with the same 2.1kg/person/week GO, resulting in an estimated reduction of residual bin material of 2.4 kg/person/week
Waste levy amount	The waste levy of \$70 per tonne applies to residual (red bin) waste. The levy is under DWER review and likely to rise substantially in future years to match current Eastern States levels of \$140 per tonne. This modelling runs at a Waste Levy of \$70, \$100 and \$140.
Price of FOGO haulage and processing	Lower processing prices apply in areas distant from the metro area and vice versa. This will be accounted for in WMRCs FOGO gate fee.
Quantity of FOGO material	For efficient haulage WMRC requires around 25 tonnes delivered per 24 hours. Some of this may be supplied by non-Member Councils. We have assumed sufficient material

	delivered to account for this; such volume limits do not apply to the Brockwaste option.
Existing GO processing costs	WMRC's GO processing price is very low (around 40% of the current market rate) and Member Councils will be aware of our ongoing project to keep that level low by keeping the contamination level low. Modelling assumes the current GO processing rate.

Table 5: Factors influencing FOGO operational costs

Our modelling of the operational cost implications of moving to a FOGO system assumes there is no net change in kerbside collection costs, with the FOGO bin collected weekly and the residual bin switching to fortnightly pick-up.

Processor	Incremental annual cost per household (negative figure indicates a saving)	
	Case 1 generation rate	Case 3 generation rate
Bunbury Harvey RC - \$70 levy	\$ 12.28	\$ 7.34
Bunbury Harvey RC - \$100 levy	\$ 8.11	- \$ 1.07
Bunbury Harvey RC - \$140 levy	\$ 2.54	- \$ 12.28
SMRC / Purearth - \$70 levy	\$ 27.64	\$ 28.34
SMRC / Purearth - \$100 levy	\$ 23.47	\$ 19.94
SMRC / Purearth - \$140 levy	\$ 17.90	\$ 8.72
Brockwaste - \$70 waste levy	\$ 12.28	\$ 7.34
Brockwaste - \$100 waste levy	\$ 8.11	- \$ 1.07
Brockwaste - \$140 waste levy	\$ 2.54	- \$ 12.28

Table 6: incremental annual operational cost

For situations where waste is being hauled to distant processing facilities, these rates are only viable for the cartage of about 20-25T of FOGO material per day. If there are no other LGs using our transfer facility, all Member Councils will need to change to a FOGO system at a similar time. This will have the advantage of minimising resident confusion and making the most of economies of scale in the changeover costs.

If the Brockwaste plant eventually proves successful at a competitive price, material may be delivered straight there and volume constraints will not apply.

COMMUNICATIONS AND EDUCATION

A 6–12 month communication campaign is advised prior to the introduction of a FOGO system to ensure good levels of compliance and low contamination. As FOGO systems become more common across Perth, there is an increased possibility that GO bins will start to be contaminated with food waste. This should be minimised to ensure that processing can still be carried out under existing cost-effective arrangements.

Positive messaging should be complemented by interventions to deal with any problematic households. This can include a defined escalation process ranging from notices of contamination to bin removal. Fines for continued contamination is an option once Local Governments have a Waste Local Law.

CONCLUSIONS

This report shows that minimising the cost of the changeover to FOGO can be accomplished through a coordinated approach to take account of the benefits of economies of scale. This coordinated approach will have the added benefit of minimising resident confusion and therefore contamination levels. Applying for DWER funding can offset much of the changeover cost, increases in the Waste Levy and WMRC sourcing the lowest possible haulage and processing costs are required for the operation costs to be minimised and to show operational savings.

	2021	2022	2023	2024
Obtain administrative go ahead from Member Councils	■			
Form PCG and meet regularly		■	■	■
WMRC and Member Council decisions		■	■	
Remaining MCs to apply for DWER funding (rolls over if not spent in year of application)		■	■	
Source supplies for changeover (caddies, liners, bins)			■	
Education campaign				■
Deliver materials and start service				■

Table 7: Outline project plan for transition to FOGO

RECOMMENDATION

WMRC recommends developing a detailed project plan over the next 6-12 months with participation by all five Member Council to progress to FOGO in a synchronised fashion for the FOGO rollout to be complete by end 2024. This is to be led by the WMRC and coordinated through a project control group including membership from all Member Councils. This project control group will report regularly to CEOAC.

Statement of Financial Position

WESTERN METROPOLITAN REGIONAL COUNCIL

As at 31 January 2021

	31 JAN 2021	31 DEC 2020	FORMULA
Current Assets			
Bank	985,636.17	302,946.29	682,689.88
Reserves	1,183,864.14	1,183,204.08	660.06
Debtors	450,401.74	502,135.75	(51,734.01)
Accrued Income	2,544.86	3,277.00	(732.14)
Total Current Assets	2,622,446.91	1,991,563.12	630,883.79
Non-current Assets			
Property, Plant & Equipment	1,313,193.45	1,266,970.07	46,223.38
Infrastructure	917,685.31	923,315.59	(5,630.28)
Right of Use Assets	94,043.30	94,389.88	(346.58)
Total Non-current Assets	2,324,922.06	2,284,675.54	40,246.52
Total Assets	4,947,368.97	4,276,238.66	671,130.31
Current Liabilities			
Lease Liability	45,800.43	45,800.43	-
Trade & Other Payables	422,748.88	540,510.81	(117,761.93)
Employee Related Provisions	230,038.66	228,504.21	1,534.45
Total Current Liabilities	698,587.97	814,815.45	(116,227.48)
Non-Current Liabilities			
Non-Current Long Service Leave	27,250.41	28,077.22	(826.81)
Total Non-Current Liabilities	27,250.41	28,077.22	(826.81)
Total Liabilities	725,838.38	842,892.67	(117,054.29)
Net Assets	4,221,530.59	3,433,345.99	788,184.60
Equity			
Asset Revaluation Reserve	289,498.36	289,498.36	-
Reserves	1,183,864.14	1,183,204.08	660.06
Retained Earnings	2,748,168.09	1,960,643.55	787,524.54
Total Equity	4,221,530.59	3,433,345.99	788,184.60

Budget Variance

WESTERN METROPOLITAN REGIONAL COUNCIL 1 Jan 2021 to 31 Jan 2021

	Actual	Budget	Var AUD	Var %	YTD Actual	YTD Budget	Var AUD	Var %
Income								
Revenue from Ordinary Activities								
Fees & Charges	288,549	285,362	3,187▲	1.1%▲	1,961,849	1,997,534	(35,685)▼	-1.8%▼
Interest	431	1,027	(596)▼	-58.0%▼	6,593	7,189	(596)▼	-8.3%▼
Operating Grants, Subsidies and Contributions	1,005,325	1,005,992	(667)▼	-0.1%▼	1,944,223	1,948,888	(4,665)▼	-0.2%▼
Other Income	12,940	3,027	9,913▲	327.5%▲	43,875	21,189	22,686▲	107.1%▲
Total Revenue from Ordinary Activities	1,307,246	1,295,408	11,838	0.9%	3,956,540	3,974,800	(18,260)	-0.5%
Total Income	1,307,246	1,295,408	11,838	0.9%	3,956,540	3,974,800	(18,260)	-0.5%
Less Cost of Sales								
Expenses from Ordinary Activities								
Depreciation & Amortisation	14,240	17,964	(3,724)▼	-20.7%▼	97,119	125,731	(28,612)▼	-22.8%▼
Employee Costs	140,145	149,416	(9,271)▼	-6.2%▼	1,040,790	1,094,785	(53,995)▼	-4.9%▼
Insurance	-	-	-	0.0%	54,956	54,960	(4)▼	0.0%▼
Materials & Contracts	306,686	277,240	29,446▲	10.6%▲	1,993,764	1,948,217	45,547▲	2.3%▲
Other Expenses	56,671	22,885	33,786▲	147.6%▲	184,245	190,400	(6,155)▼	-3.2%▼
Utilities	1,319	1,286	33▲	2.6%▲	8,486	8,996	(510)▼	-5.7%▼
Total Expenses from Ordinary Activities	519,061	468,791	50,270	10.7%	3,379,360	3,423,089	(43,729)	-1.3%
Total Cost of Sales	519,061	468,791	50,270	10.7%	3,379,360	3,423,089	(43,729)	-1.3%
Gross Profit	788,185	826,617	(38,432)	-5.0%	577,179	551,711	25,468	5.0%

Budget Variance

	Actual	Budget	Var AUD	Var %	YTD Actual	YTD Budget	Var AUD	Var %
Net Profit	788,185	826,617	(38,432)	-5.0%	577,179	551,711	25,468	5.0%

Statement of Financial Position

WESTERN METROPOLITAN REGIONAL COUNCIL

As at 28 February 2021

	28 FEB 2021	31 JAN 2021	FORMULA
Current Assets			
Bank	198,113.59	985,636.17	(787,522.58)
Reserves	1,704,667.35	1,183,864.14	520,803.21
Debtors	338,794.23	450,401.74	(111,607.51)
Accrued Income	50,808.83	2,544.86	48,263.97
Total Current Assets	2,292,384.00	2,622,446.91	(330,062.91)
Non-current Assets			
Property, Plant & Equipment	1,337,022.62	1,313,193.45	23,829.17
Infrastructure	977,833.15	917,685.31	60,147.84
Right of Use Assets	93,696.72	94,043.30	(346.58)
Total Non-current Assets	2,408,552.49	2,324,922.06	83,630.43
Total Assets	4,700,936.49	4,947,368.97	(246,432.48)
Current Liabilities			
Lease Liability	45,800.43	45,800.43	-
Trade & Other Payables	312,051.01	422,748.88	(110,697.87)
Employee Related Provisions	238,256.56	230,038.66	8,217.90
Total Current Liabilities	596,108.00	698,587.97	(102,479.97)
Non-Current Liabilities			
Non-Current Long Service Leave	29,472.10	27,250.41	2,221.69
Total Non-Current Liabilities	29,472.10	27,250.41	2,221.69
Total Liabilities	625,580.10	725,838.38	(100,258.28)
Net Assets	4,075,356.39	4,221,530.59	(146,174.20)
Equity			
Asset Revaluation Reserve	289,498.36	289,498.36	-
Reserves	1,704,667.35	1,183,864.14	520,803.21
Retained Earnings	2,081,190.68	2,748,168.09	(666,977.41)
Total Equity	4,075,356.39	4,221,530.59	(146,174.20)

Budget Variance

WESTERN METROPOLITAN REGIONAL COUNCIL For the month ended 28 February 2021

	Actual	Budget	Var AUD	Var %	YTD Actual	YTD Budget	Var AUD	Var %
Income								
Revenue from Ordinary Activities								
Fees & Charges	275,404	285,362	(9,958)▼	-3.5%▼	2,237,252	2,282,896	(45,644)▼	-2.0%▼
Interest	690	1,027	(337)▼	-32.9%▼	7,283	8,216	(933)▼	-11.4%▼
Operating Grants, Subsidies and Contributions	-	667	(667)▼	-100.0%▼	1,944,223	1,949,555	(5,332)▼	-0.3%▼
Other Income	50,888	50,027	861▲	1.7%▲	94,763	71,216	23,547▲	33.1%▲
Total Revenue from Ordinary Activities	326,981	337,083	(10,102)	-3.0%	4,283,521	4,311,883	(28,362)	-0.7%
Total Income	326,981	337,083	(10,102)	-3.0%	4,283,521	4,311,883	(28,362)	-0.7%
Less Cost of Sales								
Expenses from Ordinary Activities								
Depreciation & Amortisation	14,753	17,964	(3,211)▼	-17.9%▼	111,872	143,695	(31,823)▼	-22.1%▼
Employee Costs	131,927	149,416	(17,489)▼	-11.7%▼	1,172,717	1,244,201	(71,484)▼	-5.7%▼
Insurance	-	-	-	0.0%	54,956	54,960	(4)▼	0.0%▼
Materials & Contracts	300,488	277,240	23,248▲	8.4%▲	2,294,252	2,225,457	68,795▲	3.1%▲
Other Expenses	25,000	22,885	2,115▲	9.2%▲	209,245	213,285	(4,040)▼	-1.9%▼
Utilities	988	1,286	(298)▼	-23.2%▼	9,474	10,282	(808)▼	-7.9%▼
Total Expenses from Ordinary Activities	473,156	468,791	4,365	0.9%	3,852,516	3,891,880	(39,364)	-1.0%
Total Cost of Sales	473,156	468,791	4,365	0.9%	3,852,516	3,891,880	(39,364)	-1.0%
Gross Profit	(146,174)	(131,708)	(14,466)	-11.0%	431,005	420,003	11,002	3.0%

Budget Variance

	Actual	Budget	Var AUD	Var %	YTD Actual	YTD Budget	Var AUD	Var %
Net Profit	(146,174)	(131,708)	(14,466)	-11.0%	431,005	420,003	11,002	3.0%

Meeting Date	Item Number	CEOAC Recommendation	Description	Status	Notes
21 Mar 2019	4.3.1	The WMRC operating model be revisited once the current legal dispute is resolved.	Our legal advisers hold that WMRC's interests would best be served by awaiting the end of the dispute with DiCOM before any approach to the market about private operation of the West Metro Recycling Centre is made.	On hold	The uncertainties surrounding the future of the operation of DiCOM on the site, including terms of lease, would be priced into any bid to privately operate the site.
21 Jan 2021	4.3.1	WMRC works in collaboration with Member Council staff to form a plan for a coordinated transition to FOGO in line with Waste Plans and reports back to the next CEOAC with an outline plan particularly noting the financial implications of FOGO introduction and ongoing costs.	WMRC Council accepted CEOAC's recommendation at its February 2021 OCM. A FOGO transition plan has since been drawn up for the consideration of CEOAC at its March 2021 meeting.	Complete	

WMRC Financial Performance 2010-2021

Introduction

WMRC provides efficient shared waste management services for its Member Councils. With waste management ever more complex and integrated, WMRC shared services provide economies of scale, expert waste services, a full range of community waste treatment and recycling services for our Members.

Our new strategy, beginning in July 2018, extends services across our west central metropolitan catchment area in making the most of our strategic location. The additional business generates economies of scale and reduces costs for Member Councils.

WMRC Funding Model

Before 2019 WMRC was funded entirely through its gate fees. With the cost of all overheads and services built into gate fees, budgeting and fees and charges depended upon the accuracy of waste forecasts. Overestimating waste receipts meant shortfalls in revenues, so the system incentivised conservative forecasting by WMRC - and therefore escalating gate fees.

In 1 January 2019, we switched to our mixed fee model with two parts:

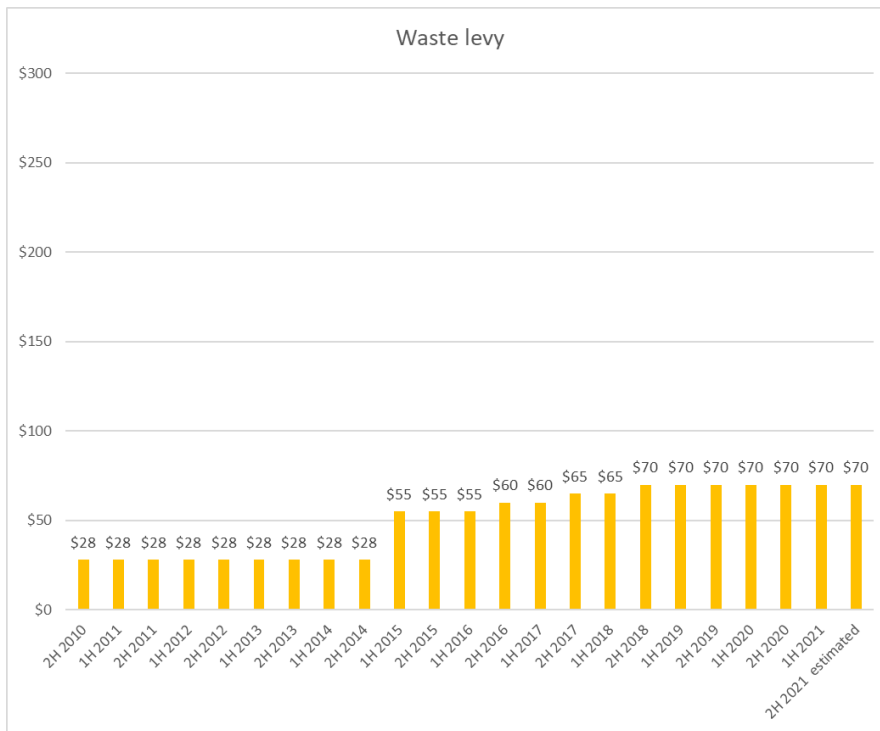
- overheads attributable to Member Councils shared on a population basis
- overhead-free gate fees set at marginal cost of waste treatment and disposal.

Advantages include an increased certainty in budgeting for Member Councils and WMRC; and enabling WMRC to attract new business, reducing average costs.

Commercial customers contribute to overheads through gate fees set at market rates. As commercial revenues increase, the overhead contributions required of Member Councils decrease. While WMRC is now diversifying its income streams, its revenue mostly derives from receipts of residual/ general (red-lid bin) waste. Data from this waste stream illustrates how WMRC financial performance is rapidly improving.

WMRC Member Councils

State Waste Levy



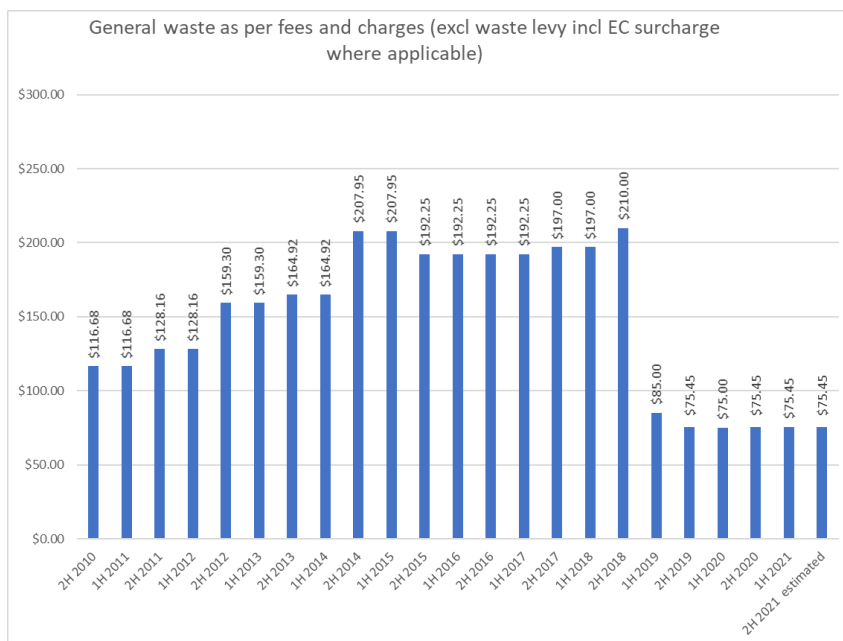
Residual waste is subject to the State Waste Levy which has increased from \$28/tonne in 2010 to \$70/tonne today as shown in Figure 1.

Each column in each of the charts represents 6 months 1H is Jan to June, 2H is July to December. We have done this as some changes since 2010 took effect in January and some in June.

For ease of comparison, all charts have a vertical axis of 0-\$300.

Figure 1 Landfill/ Waste Levy applicable 2010-2021. Each column represents 6 months.

WMRC Gate Fees



WMRC's gate fees since 2010, excluding the waste levy, are shown in Figure 2. Up until 2019, the gate fee included an Earthcarer surcharge which increased over eight years to \$25.00/tonne by 2018. The surcharge is included in the chart.

The gate fee reduction from the beginning of 2019 is marked. This shows the effect of the mixed fee model, with overheads now shared on a population basis.

Figure 2 WMRC Gate Fees for General Waste excluding the Waste Levy 2010-2021

Comparing Funding Models

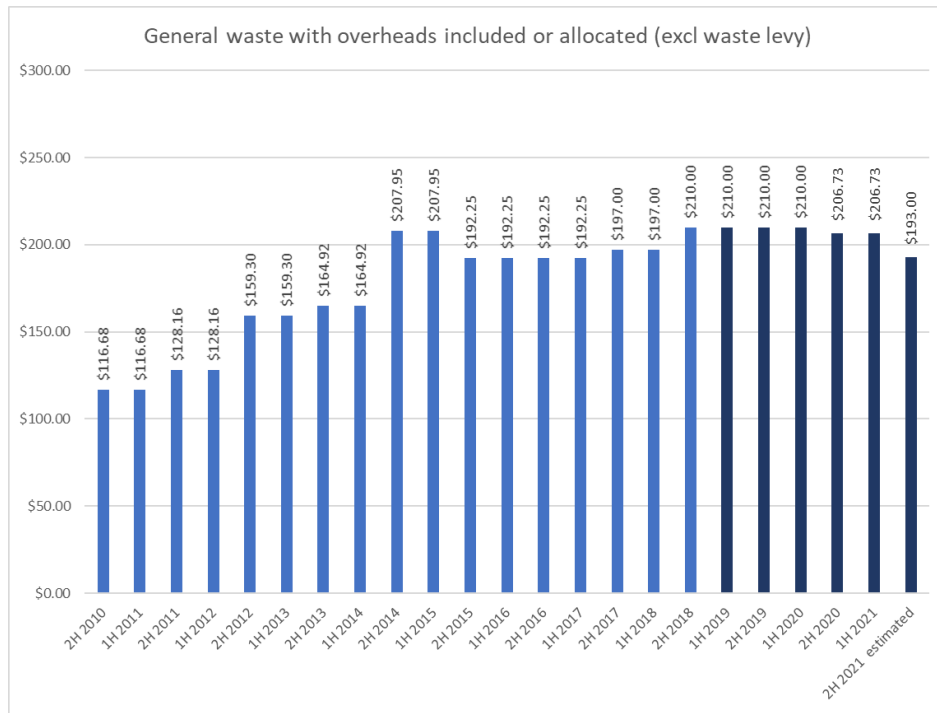


Figure 3 WMRC General Waste gate fees. Darker columns represent reallocated overheads. 2010-2021

Figure 2 does not represent the full story of the costs of the WMRC. Illustrating the change brought about by WMRC's new strategy, we add back the Member Council overheads to the gate fee, in Figure 3, with the colour change indicating the portion with overheads reallocated.

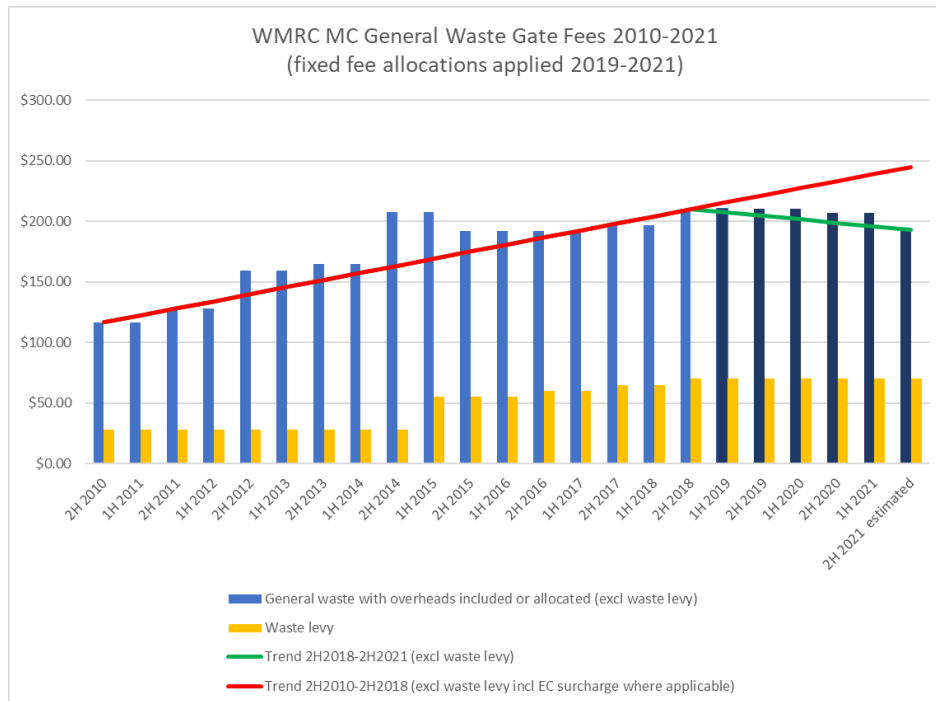


Figure 4 WMRC General Waste gate fees with reallocations, Waste Levy and trendlines indicated 2010-2021

Combining Figures 1 and 3 and adding trend lines gives Figure 4 which shows that the new WMRC business model since 2019 has brought about a distinct downward trend in gate fees.

Prior to the change in our business model, gate fees increased by an average of 9% annually from 2010 to 2018. Since 2018, gate fees are now falling at a rate of 8% per annum.

Reducing costs since 2018

How has the new WMRC business model reduced costs? Through a systematic root and branch review of every aspect of costs, beginning with the significant few¹:

- Procuring lower rates for waste treatment, haulage and disposal;
- Maximising waste silo loads to reduce transport costs;
- Reducing overtime with a switch to a 7-day site roster;
- Reviewing staff positions and pay levels;
- Abolishing past practice of applying annual increases in minimum Award rates to all positions; and
- Relying on staff expertise rather than hiring consultants.

In addition, the WMRC has attracted additional business from beyond our Member Councils which has contributed towards overheads. This includes the following to date:

- Verge ValetTM Cambridge
- Participating Council and non-member resident fees for use of the West Metro Recycling Centre
- GO bin transfer service for the City of Perth
- The new construction and demolition waste service

The following will continue the trend of diversifying our income streams through the next financial year:

- FOGO transfer service Town of Vincent from Oct 2021
- Verge ValetTM Vincent from Jan 2022

We will continue with this strategy of building on the strength of our location to provide a waste transfer service for efficient transport to disposal/processing sites to service our catchment with benefit to our Member Councils.

Service Improvements

In addition to cost savings, there have been significant WMRC service improvements since January 2019. These have included:

- Verge ValetTM service made available on an opt in basis to all Member Councils
- Increased planning and advocacy service including preparation of waste plans
- Construction and Demolition waste receipt
- Free mulch service
- Increased range of products collected from residents at the West Metro Recycling Centre (textiles, polystyrene, bicycles, x-rays, cooking oil, stationery, plant pots etc.)
- Refocused broader community education including a new schools' program and new adult education modules
- Production of a range of materials for community education (bin stickers, flyers, calendars)
- Recycling Hotline service
- Increased collaboration with Member Council officers
- New website
- Increased representational services including DWER, WALGA and WMRR

¹ The Pareto Principal

Overall Results 2019-2021

1. No increase in fees and charges since 2018
2. Gate fees for general waste, green waste, bulk waste and construction and demolition waste substantially lower than 2018.
3. Lower rates for waste treatment, haulage and disposal passed on in full to MC.
4. Trendline for Member Council costs reversed.
5. Freeloading by neighbouring councils ended; recycling entry fees and Town of Cambridge joins as Participating Council.
6. No increase in FTE staff numbers, despite significant service increases.
7. WMRC-developed Verge Valet™ service extending across the west central metro area and reducing overheads for Member Councils.
8. Town of Vincent FOGO receivables to commence October 2021.
9. WMRC losses stemmed without increasing fees and charges. \$1.2m loss in 2018 to modest surplus budgeted for 2021-22.
10. Recycling rate through the West Metro RC doubled in 12 months

Attachment 2B

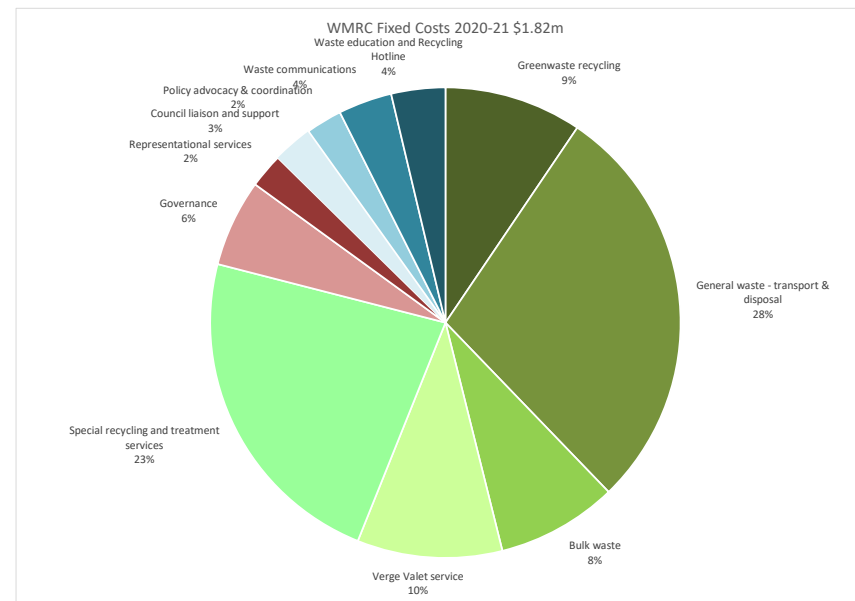
CONFIDENTIAL
WMRC Fixed Cost Allocation by Service

WMRC Service	Comms & Education	Governance	Other Operating	Variable costs per tonne	Fixed direct costs	Fixed other costs	Fixed costs total	Subiaco	Claremont	Mosman Park	Cottesloe	Peppermint Grove	Percentage of total fixed cost
Waste Management Services													
Greenwaste recycling	5%	2%	6%	\$34	\$ 149,483.31	\$ 23,465.28	\$ 172,948.60	\$ 63,696.97	\$ 38,999.91	\$ 33,897.92	\$ 30,041.17	\$ 6,312.62	172,948.60 9%
General waste - transport & disposal	4%	5%	5%	\$145	\$ 492,364.30	\$ 24,299.20	\$ 516,663.51	\$ 190,287.17	\$ 116,507.62	\$ 101,266.05	\$ 89,744.45	\$ 18,858.22	516,663.51 28%
Bulk waste	4%	3%	6%	\$124	\$ 129,235.30	\$ 22,629.37	\$ 151,864.67	\$ 55,931.76	\$ 34,245.48	\$ 29,765.48	\$ 26,378.89	\$ 5,543.06	151,864.67 8%
Verge Valet service	2%	4%	5%		\$ 164,283.46	\$ 18,000.31	\$ 182,283.77	\$ 67,135.11	\$ 41,104.99	\$ 35,727.62	\$ 31,662.69	\$ 6,653.36	182,283.77 10%
Special recycling and treatment services													
Asbestos collection and disposal	9%				\$ 32,081.04	\$ 5,589.10	\$ 37,670.14	\$ 13,873.91	\$ 8,494.62	\$ 7,383.35	\$ 6,543.30	\$ 1,374.96	37,670.14 2%
HHW collection and treatment	30%				\$ 106,936.80	\$ 18,630.34	\$ 125,567.14	\$ 46,246.38	\$ 28,315.39	\$ 24,611.16	\$ 21,811.01	\$ 4,583.20	125,567.14 7%
E-Waste recycling	5%				\$ 17,822.80	\$ 3,105.06	\$ 20,927.86	\$ 7,707.73	\$ 4,719.23	\$ 4,101.86	\$ 3,635.17	\$ 763.87	20,927.86 1%
Cardboard recycling	10%				\$ 35,645.60	\$ 6,210.11	\$ 41,855.71	\$ 15,415.46	\$ 9,438.46	\$ 8,203.72	\$ 7,270.34	\$ 1,527.73	41,855.71 2%
Car and truck battery recycling	4%				\$ 14,258.24	\$ 2,484.05	\$ 16,742.29	\$ 6,166.18	\$ 3,775.39	\$ 3,281.49	\$ 2,908.13	\$ 611.09	16,742.29 1%
Household battery recycling	8%				\$ 28,516.48	\$ 4,968.09	\$ 33,484.57	\$ 12,332.37	\$ 7,550.77	\$ 6,562.98	\$ 5,816.27	\$ 1,222.19	33,484.57 2%
Fluorescent tube and lightbulb recycling	2%				\$ 7,129.12	\$ 1,242.02	\$ 8,371.14	\$ 3,083.09	\$ 1,887.69	\$ 1,640.74	\$ 1,454.07	\$ 305.55	8,371.14 0%
Gas bottles, flares and pyrotechnics	2%				\$ 7,129.12	\$ 1,242.02	\$ 8,371.14	\$ 3,083.09	\$ 1,887.69	\$ 1,640.74	\$ 1,454.07	\$ 305.55	8,371.14 0%
Paint recycling	4%				\$ 14,258.24	\$ 2,484.05	\$ 16,742.29	\$ 6,166.18	\$ 3,775.39	\$ 3,281.49	\$ 2,908.13	\$ 611.09	16,742.29 1%
Bulk polystyrene recycling	2%				\$ 7,129.12	\$ 1,242.02	\$ 8,371.14	\$ 3,083.09	\$ 1,887.69	\$ 1,640.74	\$ 1,454.07	\$ 305.55	8,371.14 0%
Free mulch for residents	4%				\$ 14,258.24	\$ 2,484.05	\$ 16,742.29	\$ 6,166.18	\$ 3,775.39	\$ 3,281.49	\$ 2,908.13	\$ 611.09	16,742.29 1%
Stationery reuse	1%				\$ 3,564.56	\$ 621.01	\$ 4,185.57	\$ 1,541.55	\$ 943.85	\$ 820.37	\$ 727.03	\$ 152.77	4,185.57 0%
Cooking oil recycling	1%				\$ 3,564.56	\$ 621.01	\$ 4,185.57	\$ 1,541.55	\$ 943.85	\$ 820.37	\$ 727.03	\$ 152.77	4,185.57 0%
Sporting goods reuse	1%				\$ 3,564.56	\$ 621.01	\$ 4,185.57	\$ 1,541.55	\$ 943.85	\$ 820.37	\$ 727.03	\$ 152.77	4,185.57 0%
X-ray recycling	1%				\$ 3,564.56	\$ 621.01	\$ 4,185.57	\$ 1,541.55	\$ 943.85	\$ 820.37	\$ 727.03	\$ 152.77	4,185.57 0%
Mattress recycling	10%				\$ 35,645.60	\$ 6,210.11	\$ 41,855.71	\$ 15,415.46	\$ 9,438.46	\$ 8,203.72	\$ 7,270.34	\$ 1,527.73	41,855.71 2%
Tyre and wheel recycling	2%				\$ 7,129.12	\$ 1,242.02	\$ 8,371.14	\$ 3,083.09	\$ 1,887.69	\$ 1,640.74	\$ 1,454.07	\$ 305.55	8,371.14 0%
General recycling	2%				\$ 7,129.12	\$ 1,242.02	\$ 8,371.14	\$ 3,083.09	\$ 1,887.69	\$ 1,640.74	\$ 1,454.07	\$ 305.55	8,371.14 0%
Clothing and textiles recycling	2%				\$ 7,129.12	\$ 1,242.02	\$ 8,371.14	\$ 3,083.09	\$ 1,887.69	\$ 1,640.74	\$ 1,454.07	\$ 305.55	8,371.14 0%
Other Services	100%												
WMRC Governance													
WMRC Governance	8%	53%	6%		\$ 81,744.70	\$ 27,515.39	\$ 109,260.08	\$ 40,240.49	\$ 24,638.15	\$ 21,414.98	\$ 18,978.48	\$ 3,987.99	109,260.08 6%
Representational services													
Representational services	12%	3%	7%			\$ 43,070.40	\$ 43,070.40	\$ 15,862.83	\$ 9,712.37	\$ 8,441.80	\$ 7,481.33	\$ 1,572.07	43,070.40 2%
Council liaison and support													
Council liaison and support	12%	5%	10%			\$ 50,399.72	\$ 50,399.72	\$ 18,562.22	\$ 11,365.14	\$ 9,878.34	\$ 8,754.43	\$ 1,839.59	50,399.72 3%
Policy advocacy & coordination													
Policy advocacy & coordination	11%	3%	10%		\$ 26,160.96	\$ 18,775.78	\$ 44,936.74	\$ 16,550.20	\$ 10,133.24	\$ 8,807.60	\$ 7,805.51	\$ 1,640.19	44,936.74 2%
Waste communications													
Waste communications	15%	7%	15%		\$ 35,674.04	\$ 32,019.55	\$ 67,693.59	\$ 24,931.55	\$ 15,264.90	\$ 13,267.94	\$ 11,758.38	\$ 2,470.82	67,693.59 4%
Waste education and Recycling Hotline													
Waste education and Recycling Hotline	15%	7%	15%		\$ 35,674.04	\$ 32,019.55	\$ 67,693.59	\$ 24,931.55	\$ 15,264.90	\$ 13,267.94	\$ 11,758.38	\$ 2,470.82	67,693.59 4%
Total	100%	100%	100%		\$ 1,471,076.12	\$ 354,295.67	\$ 1,825,371.80	\$ 672,284.43	\$ 411,621.34	\$ 357,772.87	\$ 317,067.08	\$ 66,626.07	\$ 1,825,371.80 100%

Headline numbers -		
Comms and Education	\$	237,826.94
Governance	\$	154,235.28
Other Operating Costs	\$	141,487.20
Verge Valet service	\$	164,283.46
Silo services - fixed	\$	492,364.30
Bulk waste - fixed	\$	129,235.30
Greenwaste - fixed	\$	149,483.31
Recycling and Problematic	\$	356,456.00
Comms and Education	\$	237,826.94
Governance	\$	154,235.28
Other Operating	\$	141,487.20
Total	\$	1,825,371.80

Member Council shares	2017			
Member Council	ERP			%
Subiaco	17,238			36.83%
Claremont	10,557			22.55%
Mosman Park	9,176			19.60%
Cottesloe	8,129			17.37%
Peppermint Grove	1,708			3.65%
Totals	46,808			100.00%

WMRC Fixed Costs 2020-21		
Greenwaste recycling	9%	\$ 172,948.60
General waste - transport & disposal	28%	\$ 516,663.51
Bulk waste	8%	\$ 151,864.67
Verge Valet service	10%	\$ 182,283.77
Special recycling and treatment services	23%	\$ 418,557.14
Governance	6%	\$ 109,260.08
Representational services	2%	\$ 43,070.40
Council liaison and support	3%	\$ 50,399.72
Policy advocacy & coordination	2%	\$ 44,936.74
Waste communications	4%	\$ 67,693.59
Waste education and Recycling Hotline	4%	\$ 67,693.59
100%	\$	1,825,371.80



Budget Variance

WESTERN METROPOLITAN REGIONAL COUNCIL 1 Mar 2021 to 31 Mar 2021

	Actual	Budget	Var AUD	Var %	YTD Actual	YTD Budget	Var AUD	Var %
Income								
Revenue from Ordinary Activities								
Fees & Charges	312,653	286,780	25,873▲	9.0%▲	2,560,299	2,581,020	(20,721)▼	-0.8%▼
Interest	68	1,027	(959)▼	-93.4%▼	7,351	9,243	(1,892)▼	-20.5%▼
Operating Grants, Subsidies and Contributions	-	667	(667)▼	-100.0%▼	1,946,203	1,950,222	(4,019)▼	-0.2%▼
Other Income	10,099	1,609	8,490▲	527.6%▲	92,170	61,481	30,689▲	49.9%▲
Total Revenue from Ordinary Activities	322,820	290,083	32,737	11.3%	4,606,022	4,601,966	4,056	0.1%
Total Income	322,820	290,083	32,737	11.3%	4,606,022	4,601,966	4,056	0.1%
Less Cost of Sales								
Expenses from Ordinary Activities								
Depreciation & Amortisation	13,077	14,323	(1,246)▼	-8.7%▼	124,949	128,890	(3,941)▼	-3.1%▼
Employee Costs	128,723	149,416	(20,693)▼	-13.8%▼	1,301,159	1,393,617	(92,458)▼	-6.6%▼
Insurance	-	-	-	0.0%	54,956	54,956	-▲	0.0%▲
Materials & Contracts	335,957	274,400	61,557▲	22.4%▲	2,639,701	2,499,229	140,472▲	5.6%▲
Other Expenses	28,543	36,398	(7,855)▼	-21.6%▼	222,936	258,369	(35,433)▼	-13.7%▼
Utilities	2,718	1,286	1,432▲	111.4%▲	12,455	11,568	887▲	7.7%▲
Total Expenses from Ordinary Activities	509,019	475,823	33,196	7.0%	4,356,158	4,346,629	9,529	0.2%
Total Cost of Sales	509,019	475,823	33,196	7.0%	4,356,158	4,346,629	9,529	0.2%
Gross Profit	(186,199)	(185,740)	(459)	0.0%	249,865	255,337	(5,472)	-2.0%

Budget Variance

	Actual	Budget	Var AUD	Var %	YTD Actual	YTD Budget	Var AUD	Var %
Net Profit	(186,199)	(185,740)	(459)	0.0%	249,865	255,337	(5,472)	-2.0%

Statement of Financial Position

WESTERN METROPOLITAN REGIONAL COUNCIL

As at 31 March 2021

	31 MAR 2021	28 FEB 2021	FORMULA
Current Assets			
Bank	174,863.02	198,110.59	(23,247.57)
Reserves	1,704,680.86	1,704,667.35	13.51
Debtors	340,730.27	388,742.30	(48,012.03)
Accrued Income	3,810.25	5,119.22	(1,308.97)
Total Current Assets	2,224,084.40	2,296,639.46	(72,555.06)
Non-current Assets			
Property, Plant & Equipment	1,331,467.00	1,337,022.62	(5,555.62)
Infrastructure	1,007,608.07	977,833.15	29,774.92
Right of Use Assets	93,350.14	93,696.72	(346.58)
Total Non-current Assets	2,432,425.21	2,408,552.49	23,872.72
Total Assets	4,656,509.61	4,705,191.95	(48,682.34)
Current Liabilities			
Lease Liability	45,800.43	45,800.43	-
Trade & Other Payables	446,095.39	311,247.58	134,847.81
Employee Related Provisions	236,016.61	238,256.56	(2,239.95)
Total Current Liabilities	727,912.43	595,304.57	132,607.86
Non-Current Liabilities			
Non-Current Long Service Leave	34,381.19	29,472.10	4,909.09
Total Non-Current Liabilities	34,381.19	29,472.10	4,909.09
Total Liabilities	762,293.62	624,776.67	137,516.95
Net Assets	3,894,215.99	4,080,415.28	(186,199.29)
Equity			
Asset Revaluation Reserve	289,498.36	289,498.36	-
Reserves	1,704,680.86	1,704,667.35	13.51
Retained Earnings	1,900,036.77	2,086,249.57	(186,212.80)
Total Equity	3,894,215.99	4,080,415.28	(186,199.29)

Meeting Date	Item Number	CEOAC Recommendation	Description	Status	Notes
21 Mar 2019	4.3.1	The WMRC operating model be revisited once the current legal dispute is resolved.	Our legal advisers hold that WMRC's interests would best be served by awaiting the end of the dispute with DiCOM before any approach to the market about private operation of the West Metro Recycling Centre is made.	On hold	The uncertainties surrounding the future of the operation of DiCOM on the site, including terms of lease, would be priced into any bid to privately operate the site.
18 Mar 2021	4.2.2	A copy of the draft [Waste to Energy Waste Supply Agreement] be provided to CEOAC members with a briefing offered by the WMRC to Member Council Elected Members	Two briefing sessions are being held immediately after this meeting. The Agreement will be made available for viewing in the very near future.	In progress	
18 Mar 2021	4.3.1	CEOAC recommend the draft Briefing Paper for adoption by Council to guide a FOGO transition.		Complete	Adopted
18 Mar 2021	4.3.2	CEOAC members each select a representative for the FOGO Project Control Group which is to be chaired by a WMRC representative.		Complete	
18 Mar 2021	4.3.3	The FOGO Project Control Group develops a detailed project plan for a coordinated transition to FOGO for submission to CEOAC by November 2021.	First meeting held 13 May 2021	In progress	