



INFORMATION BULLETIN

Issue No. 7
October 2012



B. CALLANDER
CEO

CONTENTS PAGE

| Item | Page No. |
|------------------------------------------|-------------|
| Resource Recovery Facility Update Report | 3 |
| Communications and Education Report | 10 |

| RESOURCE RECOVERY FACILITY UPDATE REPORT | |
|-------------------------------------------------|-----------------------|
| File No: | WST/13-02 |
| Appendix(s): | Nil |
| Date: | 8 October 2012 |
| Project Manager: | Ian Watkins |

Summary of activities during the reporting period 2 August 2012 through to 4 October 2012.

CURRENT MATTERS

Composter Structural Issues

BioVision has recently advised that it is likely that the composters will be replaced in the 1st quarter of 2015 as opposed to late 2013 as previously advised.

The consequence of this to the MRC is that the work will occur in the 2014/2015 financial year; hence, next financial year will be a normal year with an anticipated 100,000 tonnes of waste being processed. The 2014/2015 financial year will be the year which will experience availability disruptions associated with the composter repairs.

OPERATIONAL INFORMATION

Waste Delivery

Waste Delivery Summary for Reporting Period

| MONTH | SCHEDULED TONNES | DELIVERED TONNES | DIFFERENCE TONNES |
|----------------|-------------------------|-------------------------|--------------------------|
| August 2012 | 9,200 | 9,613 | +413 |
| September 2012 | 8,000 | 8,782 | +782 |

For the Contract Year (16/07/2012 to 15/07/2013), the 4th Contract Year since RRF commencement, the RRF is 12 tonnes behind schedule.

For the Financial Year (01/07/2012 to 30/06/2013) to date the RRF is 174 tonnes ahead of schedule.

In summary, the RRF is operating as anticipated in the RRFA, with Availability of 101% over the past 12 months.

On a monthly basis, Additional Tonnes (those tonnes greater than the monthly scheduled tonnes) only incur the Variable Operating Cost charge but not the Capital Cost or Fixed Operating Cost charges.

Unavailable Tonnes (those tonnes less than the monthly scheduled tonnes) are not paid for unless:

- Within the Contract Year there is a positive balance of Additional Tonnes, these Additional Tonnes can be off-set against the Unavailable Tonnes. In this case, the off-set Additional Tonnes incur the full gate fee cost less the Variable Operating Cost (which has already been paid on the Additional Tonnes); or
- If the RRF Availability for a month is less than 92% of the monthly Scheduled Tonnes and there are no accumulated Additional Tonnes remaining to be off-set,

then the MRC is required to pay the Capital Cost on all Unavailable Tonnes up to 92% of the monthly Scheduled Tonnes.

At the end of the Contract Year, if 100,000 tonnes of waste have been delivered to the RRF then the above “overs and unders” system should balance out.

Waste Diversion

Waste Diversion for the past six months (April 2012 to September 2012) has been 52.5% with a Waste Diversion Target of 51.3%. That is slightly (590 tonnes) less residue being produced than anticipated.

Operational Activities

During the reporting period the RRF suffered only minor shutdowns which were able to be accommodated within the normal operations.

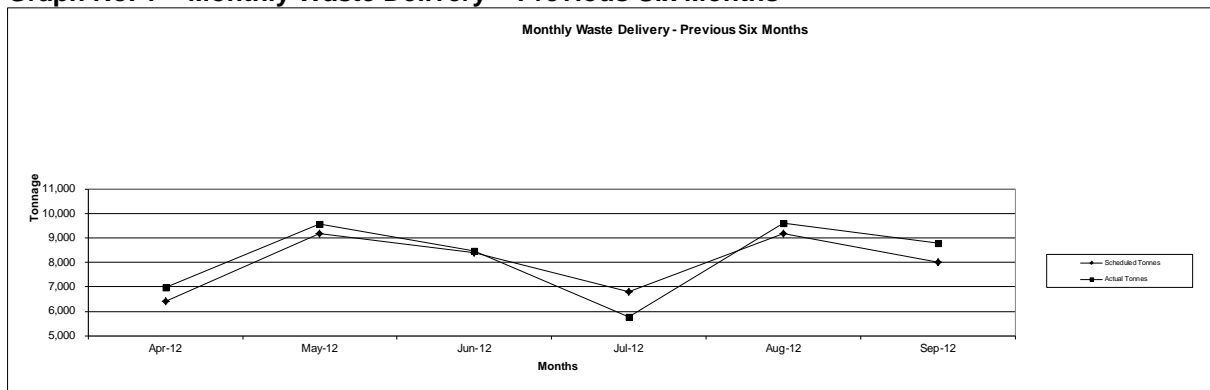
Community Complaints

Community Complaints Summary for the Reporting Period

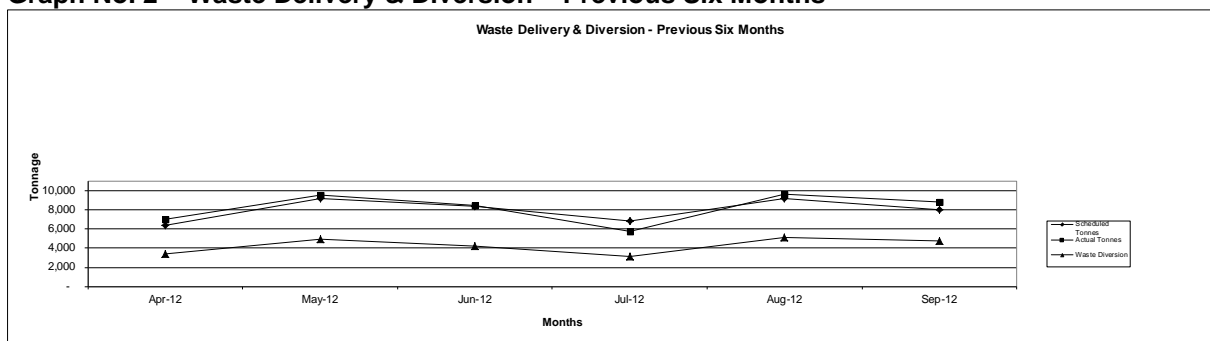
| Date | Complaint | From | Outcome |
|-----------|-----------|-------------|--------------------|
| 7/8/2012 | Odour | Golf Course | Chicken Farm odour |
| 25/9/2012 | Odour | Golf Course | Biofilter odour |

The graphs below provide data up to **30 September 2012**.

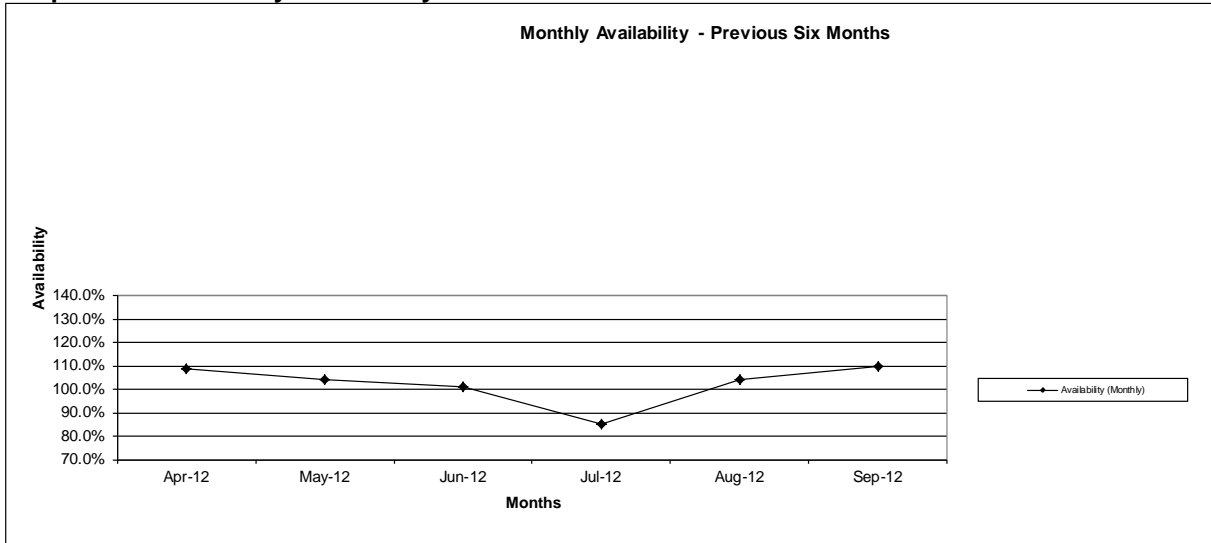
Graph No. 1 – Monthly Waste Delivery – Previous Six Months



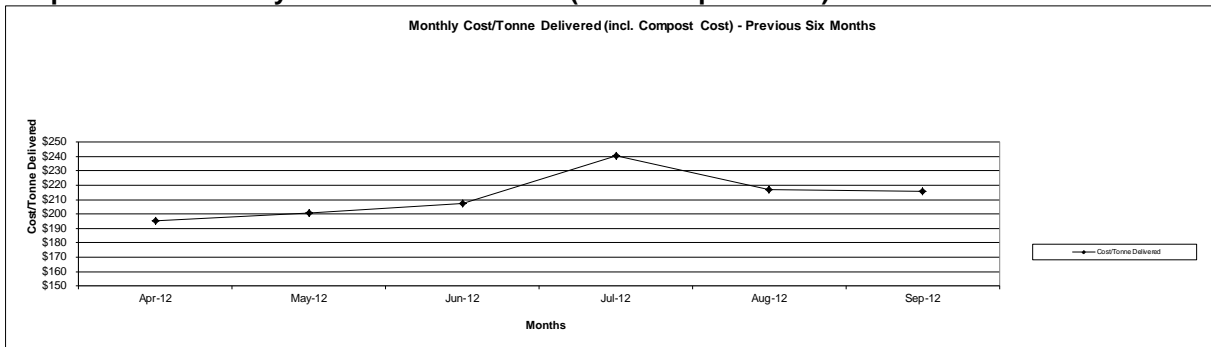
Graph No. 2 – Waste Delivery & Diversion – Previous Six Months



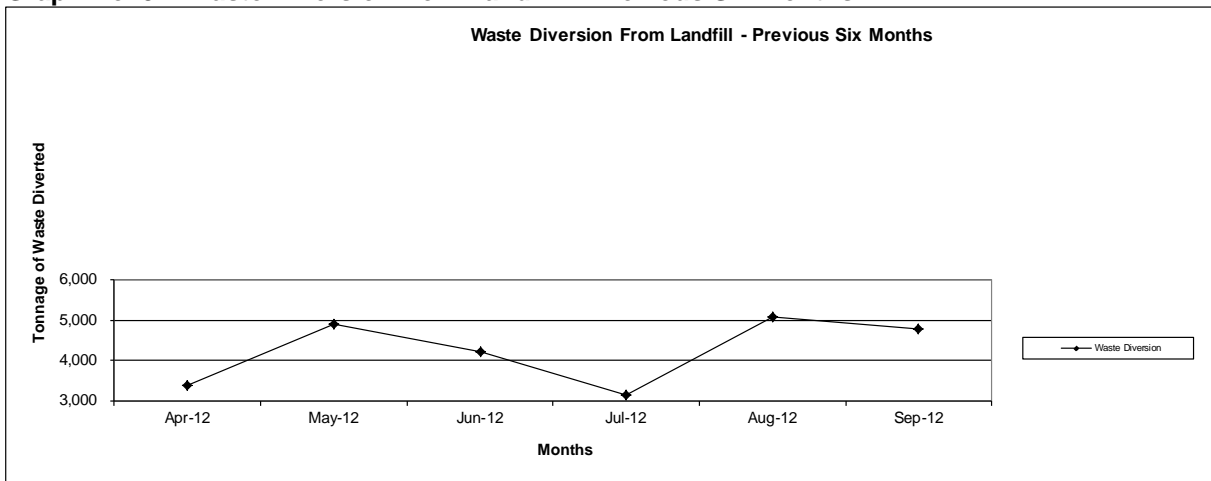
Graph No. 3 – Monthly Availability – Previous Six Months



Graph No. 4 – Monthly Cost/tonne Delivered (incl. Compost Cost) – Previous Six Months



Graph No. 5 – Waste Diversion from Landfill – Previous Six Months



Performance Indicators

KPI's as per the RRFA are as follows:

Table No. 1 – KPI Summary (to 30 September 2012)

| KPI | Target | Previous 6 Months | July | Aug | Sept |
|-------------------------------------------------|--------|-------------------|-------|-------|-------|
| Availability | 95%* | 102% | 85% | 104% | 110% |
| Environmental Standard - Number of Breaches | 0 | 0 | 0 | 0 | 0 |
| Waste Diversion | 51.3% | 52.5% | 54.5% | 53.0% | 54.5% |
| Quality of Compost - Number of Breaches** | 0 | 13 | 1 | 0 | 0 |
| Quantity of Recyclable Packaging | 0.8% | 0.65% | 1.04% | 0.80% | 0.54% |
| Health and Safety - Number of LTI's | 0 | 0 | 0 | 0 | 0 |
| Community Acceptance - Number of Complaints *** | 0 | 0 | 0 | 0 | 0 |
| Project Culture - PAG Chairperson Score | 100 | 100 | 100 | 100 | 100 |

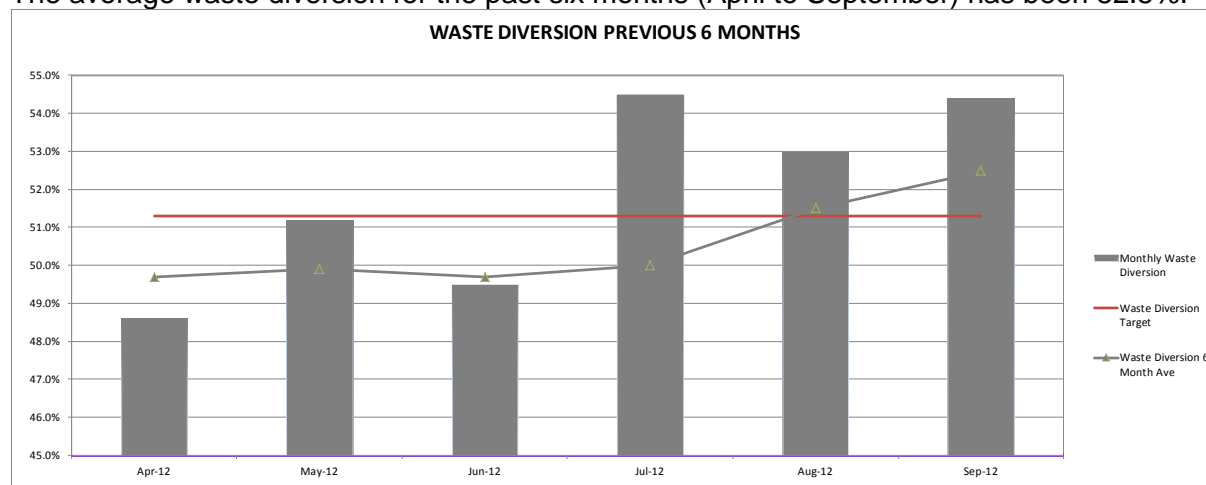
* The Target Availability during the Initial Operating Period is to achieve an Availability of greater than 95% over a six-month period.

** The compost standard within the RRFA is currently under review. A separate report has been included dealing with the compost KPI breaches.

*** Numerous complaints relating to a single event are treated as a single complaint. Biofilter odour is not registered as a complaint as this is seen as a normal operating odour condition.

Waste Diversion

The average waste diversion for the past six months (April to September) has been 52.5%.



Project Advisory Group as at 30/09/2012

MRC Representatives:

Cr Laura Gray
 Brian Callander (CEO)
 Gunther Hoppe
 MRC Alternates:
 Cr Dot Newton
 Mike Tolson

BioVision Representatives:

Emmanuel Vivant
 Craig Barker
 Nial Stock
 BioVision Alternates:
 Alan Turner
 Kevin Wilson

The PAG recently met on 8 August 2012.

Items dealt with by the group include:

- Contract Variations
- Composter Structural Issues

-
- BioVision Monthly Report/Update
 - Compost Marketing and Compost Quality

Copies of the meeting minutes are distributed to the Strategic Working Group members and all MRC Councillors.

Community Engagement

The MRC community engagement program continues to be managed via the Community Engagement and Advisory Group (CEAG).

The group last met on 29 August and 19 September 2012 at the MRC.

Issues covered at the meeting included:

- Project update
- Waste Education
- CEAG Review of Purpose

Copies of the meeting notes are distributed to the MRC Councillors.

FINANCIAL IMPLICATIONS

Operational Expenditure

The Project Operational Summary below sets out the 2012/13 facility operating budget against which operational costs are tracked throughout the year.

Project Operational Costs Summary for 2012/2013 Financial Year – as at 30 September 2012.

| RRF Operational Costs Summary | | | | |
|-----------------------------------------------------------------|-----------------------|-----------------------|----------------------------------|----------------|
| Item | Adopted Budget | Revised Budget | Expenditure (to 30/09/12) | % Spent |
| Capital Expenses | | | | |
| Infrastructure - Other (Communication Tower Camera at Neerabup) | \$ 15,100 | \$ 15,100 | \$ - | 0.0% |
| Total Capital Expenditure | \$ 15,100 | \$ 15,100 | \$ - | 0.0% |
| Operating Expenses | | | | |
| Employee Costs | | | | |
| Salaries | \$ 36,800 | \$ 36,800 | \$ 12,017 | 32.7% |
| Superannuation | \$ 3,300 | \$ 3,300 | \$ 1,057 | 32.0% |
| Workers Compensation Premium | \$ 1,200 | \$ 1,200 | \$ 330 | 27.5% |
| Total Employee Costs | \$ 41,300 | \$ 41,300 | \$ 13,404 | 32.5% |
| Consultancy | | | | |
| Specialist Project Consultants | \$ 100,000 | \$ 100,000 | \$ - | 0.0% |
| Project/Contract Management | \$ 20,000 | \$ 20,000 | \$ 7,038 | 35.2% |
| Total Consultancy Costs | \$ 120,000 | \$ 120,000 | \$ 7,038 | 5.9% |
| Facility Operations | | | | |
| Building Cleaning | \$ 9,000 | \$ 9,000 | \$ 2,732 | 30.4% |
| Computer System Maintenance | \$ 20,000 | \$ 20,000 | \$ 7,618 | 38.1% |
| Building Maintenance | \$ 5,000 | \$ 5,000 | \$ - | 0.0% |
| Building Security | \$ 2,700 | \$ 2,700 | \$ 520 | 19.3% |
| Fencing and Gate Maintenance | \$ 1,500 | \$ 1,500 | \$ - | 0.0% |
| Road Maintenance | \$ 2,000 | \$ 2,000 | \$ - | |
| Bore and Pipework Maintenance | \$ 13,000 | \$ 13,000 | \$ - | 0.0% |
| Landscape and Gardens | \$ 9,000 | \$ 9,000 | \$ 1,639 | 18.2% |
| Utilities | \$ 7,000 | \$ 7,000 | \$ - | 0.0% |
| Council Rates | \$ 30,000 | \$ 30,000 | \$ 7,097 | 23.7% |
| Insurance Premiums | \$ 8,100 | \$ 8,100 | \$ 2,025 | 25.0% |
| Compost Disposal | \$ 408,300 | \$ 408,300 | \$ 82,763 | 20.3% |
| RRF Gate Fees | \$21,637,500 | \$21,637,500 | \$ 5,316,096 | 24.6% |
| Total Facility Operations | \$22,153,100 | \$22,153,100 | \$ 5,420,490 | 24.5% |
| Cost of Borrowings | | | | |
| Loan Interest and Expenses | \$ 514,600 | \$ 514,600 | \$ 120,668 | 23.4% |
| Total Cost of Borrowings | \$ 514,600 | \$ 514,600 | \$ 120,668 | 23.4% |
| Total Operating Expenses | \$22,829,000 | \$22,829,000 | \$ 5,561,600 | 24.4% |

Member Council Deed of Guarantee

The table below indicates the fluctuation in member Council potential liabilities under the Member Council Deed of Guarantee throughout the duration of the RRFA.

| Deed of Guarantee Annual Value Change | | | | | | | | |
|----------------------------------------|----------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| Termination Payment for MRC Default | | | | | | | | |
| Council | Shareholding | Year 1 16/07/2009 | Year 2 16/07/2010 | Year 3 16/07/2011 | Year 5 16/07/2014 | Year 10 16/07/2019 | Year 15 16/07/2024 | Year 19 16/07/2028 |
| Stirling | 33.33% | 29,422,667 | 29,099,000 | 28,832,000 | 27,880,667 | 23,521,000 | 15,497,667 | 6,007,000 |
| Joondalup | 16.67% | 14,711,333 | 14,549,000 | 14,416,000 | 13,940,333 | 11,760,500 | 7,748,833 | 3,003,500 |
| Wanneroo | 16.67% | 14,711,333 | 14,549,000 | 14,416,000 | 13,940,333 | 11,760,500 | 7,748,833 | 3,003,500 |
| Perth | 8.33% | 7,355,667 | 7,275,000 | 7,208,000 | 6,970,167 | 5,880,250 | 3,874,417 | 1,501,750 |
| Cambridge | 8.33% | 7,355,667 | 7,275,000 | 7,208,000 | 6,970,167 | 5,880,250 | 3,874,417 | 1,501,750 |
| Vincent | 8.33% | 7,355,667 | 7,275,000 | 7,208,000 | 6,970,167 | 5,880,250 | 3,874,417 | 1,501,750 |
| Victoria Park | 8.33% | 7,355,667 | 7,275,000 | 7,208,000 | 6,970,167 | 5,880,250 | 3,874,417 | 1,501,750 |
| Total | 100.00% | \$88,268,000 | \$87,297,000 | \$86,495,000 | \$83,642,000 | \$70,563,000 | \$46,493,000 | \$18,021,000 |
| Termination Payment for Forced Majeure | | | | | | | | |
| | Shareholding | Year 1 16/07/2009 | Year 2 16/07/2010 | Year 3 16/07/2011 | Year 5 16/07/2014 | Year 10 16/07/2019 | Year 15 16/07/2024 | Year 19 16/07/2028 |
| Stirling | 33.33% | 25,811,000 | 25,545,000 | 25,206,000 | 24,159,333 | 19,708,333 | 12,008,000 | 1,666,667 |
| Joondalup | 16.67% | 12,905,500 | 12,773,000 | 12,603,000 | 12,079,667 | 9,854,167 | 6,004,000 | 833,333 |
| Wanneroo | 16.67% | 12,905,500 | 12,773,000 | 12,603,000 | 12,079,667 | 9,854,167 | 6,004,000 | 833,333 |
| Perth | 8.33% | 6,452,750 | 6,386,000 | 6,301,000 | 6,039,833 | 4,927,083 | 3,002,000 | 416,667 |
| Cambridge | 8.33% | 6,452,750 | 6,386,000 | 6,301,000 | 6,039,833 | 4,927,083 | 3,002,000 | 416,667 |
| Vincent | 8.33% | 6,452,750 | 6,386,000 | 6,301,000 | 6,039,833 | 4,927,083 | 3,002,000 | 416,667 |
| Victoria Park | 8.33% | 6,452,750 | 6,386,000 | 6,301,000 | 6,039,833 | 4,927,083 | 3,002,000 | 416,667 |
| Total | 100.00% | \$77,433,000 | \$76,636,000 | \$75,617,000 | \$72,478,000 | \$59,125,000 | \$36,024,000 | \$ 5,000,000 |

| COMMUNICATIONS AND EDUCATION REPORT | |
|--------------------------------------------|-----------------------|
| File No: | WST/178 |
| Appendix(s): | Nil |
| Date: | 4 October 2012 |
| Responsible Officer: | Geoff Atkinson |

Communication and Education Report – August/September 2012

The following are some of the key activities and happenings that occurred during the August/September period.

Tours

Twenty nine tours of the MRC facilities took place. These involved:

- Seventeen tours of Tamala Park and Ed Centre
- Two of the RRF and Visitors Centre only
- Ten of both facilities, RRF and Tamala Park

Of these:

- Nineteen were school groups (8 CoJ, 6 CoW, 2 CoV, 2 ToVP and 1 CoS)
- Five were Community Groups (2 from CoW)
- Five were assorted council tours.

Tours of the MRC facilities continue to be very well received. Feedback indicates a high level of satisfaction, with the tours being considered very worthwhile. Participants indicating that they would return or would advise others to come on tour.

The Roaming Recycler Waste Education Display

We are now moving into the very busy time of the year for the Roaming Recycler with very few weekends through to the New Year not having been booked for a fete, fair or event of some sort.

After a quiet August, in September the Roaming Recycler could be seen at: The Sustainable House in Tapping (CoW), Central Park (CoP), Waste and Recycling Conference, Sustainable September Event (ToC), Sustainable Design Expo (CoV) Brighton Open Day (CoW), Spade to Table event in Leederville (ToC) and at the Perth Royal Show.

In this period the Roaming Recycler Display was in use for a total of 25 days giving it wide exposure.

As an important tool to engage with the community, new displays continue to be developed to keep the Roaming Recycler fresh, there is always something different to see. Many of the display items include reused and recycled materials to keep within the theme of the display. These displays help promote and explain the different bin systems within the Region and different ways the community can reduce, reuse, recycle and dispose wisely.

Schools and Visits

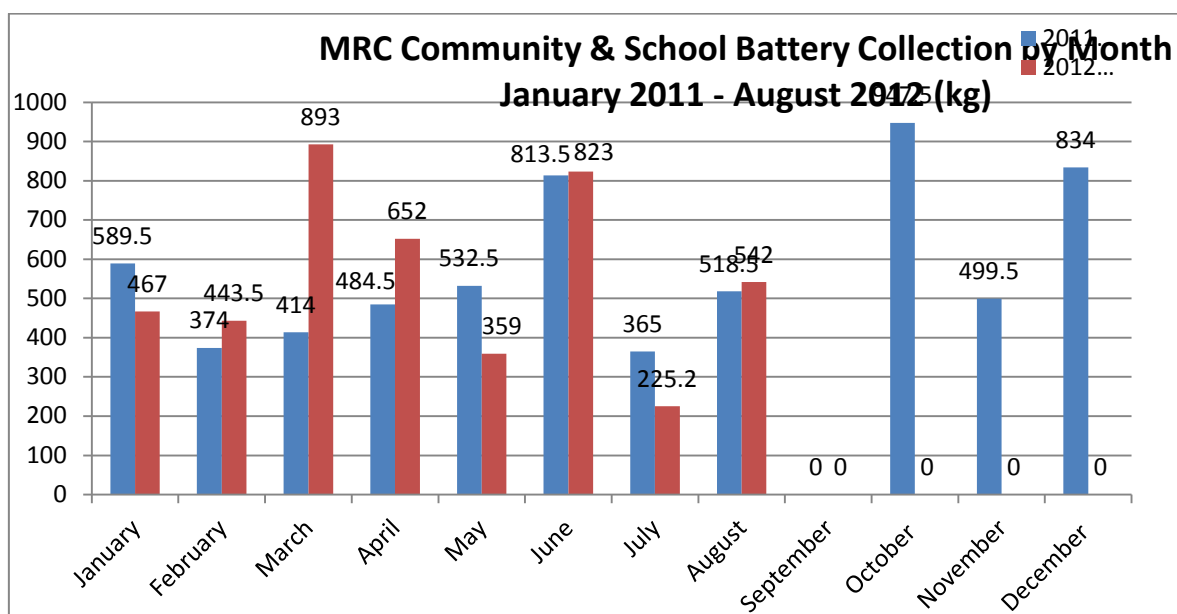
The Education team made five visits to schools, five to community groups and one council visit to give waste talks and/or workshops. The schools visits were:

| Date | Visit to | Council |
|-----------|-------------------|-----------|
| 1/8/2012 | Belridge HS | Joondalup |
| 9/8/2012 | Floreat Park PS | Cambridge |
| 21/8/2012 | Poseidon PS | Joondalup |
| 23/8/2012 | Floreat Park PS | Cambridge |
| 21/9/2012 | Mater Dei College | Joondalup |
| | | |
| | | |

Member of the Education team also attended a number of meetings for waste programs like: Cash for Containers, Garage Sale Trail, HHW and National Product Stewardship Scheme for TVs/Computers. Information was reported back to the WESSG group.

Battery Program

Batteries from school and community bins continued to be collected. So far this year, 4,404 kg batteries have been collected. These batteries are currently still being stockpiled at Tamala Park awaiting shipment to NSW for recycling.



New battery bins were located at Mercedes College (CoP), Neerabup PS (CoW) and Central Institute of TAFE (CoP and CoV).

Earth Carers

Another 15 people completed a five session Earth Carers training course, learning to “Live with less waste”, the motto of the Earth Carers.

Session 1 took them to the Wanneroo City Council depot, reconnecting them back to their waste, with many of us forgetting about it after it has been put in the bin and the bin wheeled out to the verge. Thanks to the City of Wanneroo for their support with this. Session 2 involved touring the MRC region’s facilities (Tamala Park, RRF and Wangara Recycling); to see what happens to the binned waste. Session 3 at City Farm, Session 4 at Landsdale Farm and Session 5 at REmida, all looking at what can be done to reduce the amount of waste we produce. The Graduation was held at the Town of Victoria Park Administration Building (special thanks to ToVP).

MRC Regional Waste Report Card

The MRC Regional waste diversion report cards continue to be produced for each quarter since the beginning of 2011. The July-Sept 2012 quarter’s report is currently being compiled. These look at MSW collected across the Region. These reports are hoped to form an important tool in shaping education messages for the Region and also guiding MRC towards targets set by the new WA Waste Strategy.

Other Activities

In the August/September period there was a lot going on in the world of waste. Some of the activities MRC’ Education team were involved in were:

- Cash for Containers. An initiative gaining traction. MRC has been keeping councils informed on this issue and has been promoting the work of WALGA’s publicity campaign/event to promote a Cash for Containers scheme. We have been working with a number of councils looking at how to implement
 - Garage Sale Trial. This is another initiative gaining interest both here in WA and internationally (London). MRC has through WESSG has updated councils on this initiative and held an open meeting with the event organiser at the City of Vincent.
 - Waste and Recycling Conference. MRC had a booth promoting the importance of the caring for the environment and the role of education when dealing with waste. Also a Conference tour took in the Tamala Park facility.
 - Conference Community Day. MRC had a booth promoting Earth Carers and living with less waste, Peg presented a talk on ‘How to compost your organic waste’, provided costumes for the ‘waste’ fashion parade.
 - Royal Show. MRC joining with other Regional Councils and the Waste Authority to have a major waste display in the Landcare Section.
-

- Waste Education Strategic Steering Group (WESSG) meetings were held at the end of each month. These continue to be an important forum for exchanging ideas and keeping everyone updated on happenings associated with waste within the Member Councils.
 - The Community Engagement Advisory Group (CEAG) meeting took place in August and then another in September. The focus of these meetings was to review the performance of the RRF to date from the community perspective and to review CEAG's Role and Function Statement. Both of these with the view of consolidating the position of the group and determining its future role.
 - WMAA-WA's Waste Education Working Group met every month discussing wider waste issues and providing networking opportunities. This included organising of: the 2012 Waste and Recycling Conference community day being held on the Wednesday afternoon immediately before the conference; the Waste Display at the Perth Royal Show.
-