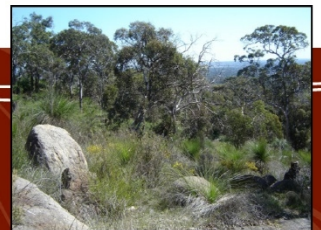


Special Council Meeting

Minutes for Tuesday 29 May 2018

UNCONFIRMED



**city of
kalamunda**

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1. Official Opening

The Presiding Member opened the meeting at 6.32pm and welcomed Councillors and Staff.

2. Attendance, Apologies and Leave of Absence Previously Approved

Councillors

South East Ward

John Giardina - (Mayor) (Presiding Member)

Michael Fernie

Geoff Stallard

South West Ward

Allan Morton

North West Ward

Sara Lohmeyer

Dylan O'Connor

North Ward

Cameron Blair

Tracy Destree

Margaret Thomas

Members of Staff

Chief Executive Officer

Rhonda Hardy

Executive Team

Gary Ticehurst - Director Corporate & Community Services

Dennis Blair - Director Asset Services

Peter Varelis - Director Development Services

Simon Di Rosso - General Counsel & Executive Advisor

Management Team

Rajesh Malde - Manager Financial & Risk Services

Chris Thompson - Manager Asset & Waste Operations

Joanne Smith - Manager Parks & Environmental Services

Michele Rogers - Manager Community Safety Services

Jamie Patterson - Manager Information Technology

Nicole O'Neill - Manager Customer & Public Relations

Administration Support

Kristy Lisle - Executive Research Officer Governance & Legal

Donna McPherson - Executive Research Officer to Chief Executive Officer

Dhiwya Mahendran - Service Desk Analyst

Members of the Public Nil.

Members of the Press Nil.

Apologies

South West Ward

Lesley Boyd

Brooke O'Donnell

North West Ward

David Almond

Leave of Absence Previously Approved

Nil.

3. Public Question Time

3.1. Public Question Time

A period of not less than 15 minutes is provided to allow questions from the gallery on matters relating to the functions of this meeting. For the purposes of Minuting, these questions and answers will be summarised.

3.1.1 Nil.

4. Petitions/Deputations

4.1 Nil.

5. Announcements by the Member Presiding Without Discussion

5.1 Nil

6. Matters for Which the Meeting may be Closed

6.1 Confidential Attachment. Item 8.2.1 – Budget 2018/19 – Consideration of Waste Service Charges.
Reason for Confidentiality: Local Government Act 1995 (WA) Section 5.23 (2) (c) - "a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting."

7. Disclosure of Interest

7.1. Disclosure of Financial and Proximity Interests

a. Members must disclose the nature of their interest in matter to be discussed at the meeting. (Section 5.56 of the *Local Government Act 1995*.)

b. Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Section 5.70 of the *Local Government Act 1995*.)

7.1.1 Nil.

7.2. Disclosure of Interest Affecting Impartiality

a. Members and staff must disclose their interest in matters to be discussed at the meeting in respect of which the member or employee had given or will give advice.

7.2.1 Nil.

8. Reports to Council

8.1. Corporate Services Reports

8.1.1. Budget 2018/2019 - Differential Rates

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

Previous Items	Nil.
Directorate	Director Corporate Services
Business Unit	Financial Services
File Reference	FI-RTS-012
Applicant	N/A
Owner	N/A
Attachments	1. RID & MINS Comparison [8.1.1.1] 2. Rates modelling Data Extract - GRV UV [8.1.1.2] 3. Objects and Reasons Document 2018-19 [8.1.1.3]

EXECUTIVE SUMMARY

1. The purpose of this paper is to consider the level at which to set and advertise differential rates and the Waste Avoidance and Resource Recovery (WARR) Levy as part of the 2018/19 Budget process.
2. In accordance with the requirements of the *Local Government Act 1995*, s6.36, a local government is required to give local public notice of intention to impose differential general rates or a minimum payment.
3. The requirements of the *Local Government Act 1995*, provides that following the advertisement of differential rates, a period of 21 days will exist in which ratepayers can make comment or objection submissions to the proposed rate in the dollar.
4. It is recommended that Council approves the 2018/19 Rate In the Dollar (RID), the minimum rates and the WARR Levy to be advertised by public notice as per the following:

Category/Levy	Rate in \$	Minimum Rate \$
General GRV	0.05931	884
Industrial/Commercial GRV	0.06688	1104
Vacant GRV	0.08393	767
General UV	0.00339	884
Commercial UV	0.00400	1104
Waste Avoidance and Resource Recovery Levy (All Categories)	0.000418	20

If approved, the above RID's with a projected interim rate of \$350,000 will result in an approximate yield of 2.15%.

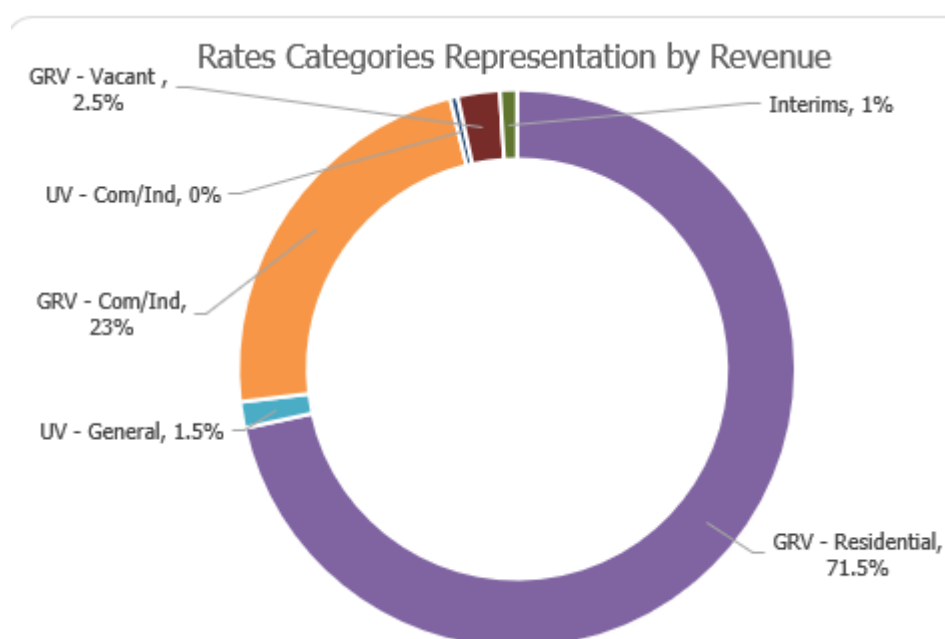
The WARR levy will generate approximately \$507,274.

BACKGROUND

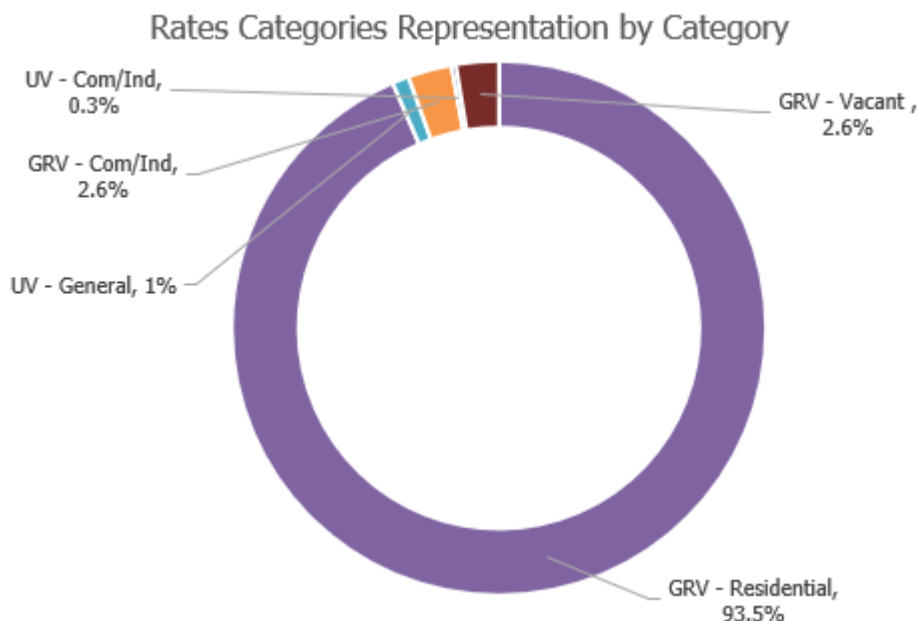
5. In accordance with the requirements of the *Local Government Act 1995, s6.33*, a local government may impose differential rates having met the characteristics prescribed.
6. In accordance with the requirements of the *Local Government Act 1995, s6.35*, a local government may impose a minimum payment which is greater than the general rate which would otherwise be payable on that land.
7. The rates for most properties are calculated based on a Gross Rental Valuation (GRV). These GRV's are provided to all Local Governments via Landgate and are assessed every three years by Landgate's valuers. This triennial valuation ensures consistency and a degree of fairness in the allocation of rates. Landgate provided values to the City for the 2017/18 rates generation with the values as of 1 August 2015. As such, there are no changes in GRV valuations for the 2018/19 rates generation.

Properties not on a GRV will be rated based on an Unimproved Value (UV). These UV values are updated annually by Landgate.

8. Differential Rates have been part of the Budget for some years, with modifications to categories introduced over time to assist in spreading the rate burden and providing opportunities for increases in overall rate income.
9. Using the 2017/18 Budget data, the makeup of the various categories was shown as depicted in the pie chart below. The data presented shows that two categories, General (Residential) and Commercial Industrial, make up 94.5% of all properties in the City with 71.5% and 23% being the respective percentages.



10. The General category which although comprises 93.5% of the total properties, generates 72% of rates whereas Commercial/Industrial which only comprises 3%, contributes 23% of rates. The reason for the difference is due to significantly higher gross rental valuations in the Commercial/Industrial Category.



11. A specific strategy has been to increase the gap between GRV categories – General and the Commercial and Industrial/Light Industry categories which aligns equitably to the City's service costs and amenities for these two distinct land uses as observed from the summary table below.

Rate Category	Cost Per Rate Category per analysis	Revenue Raised as a % per 2017-18 Original Budget
General GRV	69.7%	72.2%
Industrial/Commercial GRV	22.2%	23.1%
General UV	4.7%	1.5%
Commercial UV	1.8%	0.5%
Vacant GRV	1.6%	2.7%
	100%	100%

12. A comparison of the 29 metro councils across the various rate categories shows that the City's rates for 2017/18 were below the average in General Residential by 11%, Commercial/Industrial by 10% and Vacant by 19% for RID's and in respect of Minimum's, the City was lower by 17%, 3% and 32% respectively (see attachment 1). This indicates that the City's rates are competitive.

13. The City has reviewed its position on rolling the waste charges into the rates so that the Pensioner concession, currently being provided by the City, can be transferred to the State Government as part of the rebates that it provides. In light of the rate capping now in place at \$750, there seems to be little benefit taking this path as most pensioners are nearing their cap limits with just the rates charges. Additionally, it results in properties with high valuations paying a disproportionate amount for waste charges which is deemed in-equitable for a service which is at the same level for all properties.

Additionally, the same applies to the Emergency Services Levy (ESL) which is administered by the City on behalf of the Department of Fire and Emergency Services. As announced by the State Government, all residential properties will be charged an extra \$28 levy to fund the Rural Fire Division and further investment in critical fire emergency services. This represents an increase of over 10% in ESL Levy per property.

14. As noted in point 10 above, there is only a marginal change in GRV values for the General Residential category, however the revenue generated is higher principally due to a growth in the number of properties which is at 0.23% reflecting a change from 21,272 at the beginning of the year to 21,320.

There are no changes to the Commercial/Industrial properties with the number stagnant at 604 which can be attributed to reduced sub-division activity and lag in the current economy for new developments.

It is envisaged that the activity in the Commercial/Industrial category will pick up, especially in the foothills with the upcoming Forrestfield Industrial Area Stage 1, Forrestfield Train Station and Transit Oriented Development with flow on effects of rejuvenation of the surrounding lands.

The number of properties in the GRV Vacant category has increased from 563 to 589 or 4.6%.

15. Un-confirmed advice received from other metropolitan local governments indicates the proposed rate changes for 2018/19 range from 0% to 4%. The City will continue to monitor rate charges in the coming weeks with additional details to be disclosed in the Budget paper.

16. Councillors were briefed on 8, 15 and 21 May 2018 on various scenarios with the target range of rates to be raised between \$35.8 - \$37.1 million in light of the draft rate setting statements presented (Attachment 2). The following considerations were made:

- a) Model at 0, 2, 2.2, 3 and 3.39% (hybrid) increases using multiple options which included change to minimums, flat structure and skewed structure (hybrid).
- b) Councillors concluded the following:
 - i. That 0 and 3.39 percentage increases were not sustainable in the current environment. A 0% change was considered to be

un-sustainable in light of CPI increases and EBA negotiated rates. A 3.39% increase was considered excessive given the current economic climate.

- ii. That there should be minimal change to the minimums. The rationale behind not applying a higher increase to the minimums was to ensure that the people who are the most vulnerable were impacted the least with rates and fees for 2018/19. It was also observed that the minimums would need to increase by at least 10% to produce a significant impact on the projected rates revenue stream.
- c) At the briefing session held on 21 May, Councillors narrowed the model to two options, 2% and 2.2% flat rate increases, with minimal change to minimum rates in light of the current state of the economy.

An alternate model was proposed on the night and accepted by Councillors which provides a yield of 2.15% made up 2.2% Flat increase for GRV/UV General and Industrial/Commercial Categories and 5% for GRV Vacant. The increase in the latter category is principally to encourage land owners to develop their properties into Residential or Commercial/Industrial land uses.

Refer to Attachment 2.

- d) Option A which applied a flat 2% to all categories and the minimums raised by the same percentage resulted in a yield of 1.88% with a projected total rate revenue of \$36.5m.
- e) Option B which applied a flat 2.2% to all categories and the minimums raised by the same percentage resulted in a yield of 2.08% with a projected total rate revenue of \$36.6m. The difference between the two options being \$70,942 with option B resulting in a slightly higher revenue amount.
- f) The Alternate model of a flat 2.2% to all categories and the minimums raised by the same percentage except Vacant category which is increased by 5% resulted in a yield of 2.15% with a projected total rate revenue of \$36.6m. The maximum difference between the options being \$95,440 with the alternate model resulting in a slightly higher revenue amount.
- g) The alternate model as described above had similar percentage increases applied to the minimums as indicated above with UV and GRV General at \$884, the Commercial/ Industrial categories at \$1104 and GRV Vacant minimum at \$767, representing an increase of \$19 for General Residential, \$24 for Commercial/Industrial and \$37 for Vacant category.

The minimums used ensured compliance with *S6.35* of the *Local Government Act 1995*.

"(2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district

(3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —

- (a) 50% of the total number of separately rated properties in the district; or*
- (b) 50% of the number of properties in each category referred to in subsection (6),*

(6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —

- (a) to land rated on gross rental value; and*
- (b) to land rated on unimproved value; and*
- (c) to each differential rating category where a differential general rate is imposed."*

17. This report seeks to ratify the levels at which the City will advertise differential rates for the 2018/19 financial year.

DETAILS

18. The Budget will be framed on the current principles of the proposed rolling ten-year Long Term Financial Plan (LTFP) (2018-28). The LTFP is an integral part of the Integrated Planning Framework and designed to provide local governments with a clear focus on robust financial planning and management. The ten-year plan assumes a 2.2% increase in the rate in the dollar for residential properties for the 2018/19 year.

Information recently received from the Western Australian Local Government Association indicates that the majority of Metropolitan Local Governments anticipate that residential rates will increase between 0% and 4%. Those at the lower band are able to access significant ex-gratia rates or other income streams which are not available to the City of Kalamunda.

19. A direct comparison has not been done with the City's neighbouring local governments as most of them are still at the deliberations stage. At the time of writing this report, only City of Swan had published information which was an increase of 1.8%* Considering the difference between two Cities in 2017/18 was 33% with Swan being higher shows that our rates remain competitive against this adjoining local government authority. (See Attachment 1).

**Source – City of Swan Website – Statement of Rating Objects and Reasons for the 2018/19 Year, 11 May 2018*

20. At the Councillor briefings, the preferred option which is presented in Attachment 2 for the 2018/19 Differential Rates are:
- a) Alternate Model – A flat 2.2% rate across all categories except Vacant which is at 5%
 - b) Minimum rate for this option is \$884 for General GRV/UV and \$1104 for the merged Commercial/Industrial GRV/UV categories and \$767 for Vacant GRV.
21. The City also recommends that a levy that was implemented in 2013/14 to address the long-term remediation being experienced at closed landfill sites within the City is continued.
- The Department of Environment and Conservation is applying stringent control over monitoring and rehabilitation requirements over several contaminated sites.
- In addition to the above, community consultation regarding the Alan Anderson reserve has provided feedback to Council that they want the reserve to be reinstated from its current contaminated state.
- The City has an estimated program of works totalling \$510,000 for 2018/19 covering site audits, remediation programs, gas monitoring, soil capping, preliminary site investigation and a full rehabilitation.
22. In recognition of the impost the State Government introduced a *Waste and Resource Recovery Act* in 2007 which allows for local governments to charge a levy to cover the cost of ongoing monitoring of closed land fill sites. The proposed rate for 2018/19 is \$0.000418 and a minimum charge of \$20 across all properties. The estimated amount levied is \$507,274.

STATUTORY AND LEGAL CONSIDERATIONS

23. Rates are levied on all rateable properties within the boundaries of the City of Kalamunda in accordance with the *Local Government Act 1995*. The overall objective of the proposed rates and charges in the 2018/19 Budget is to provide for the net funding requirements of the Council's activities and works programs as outlined in the LTFP.
24. In accordance with *Section 6.36* of the *Local Government Act 1995*, the City is required to ensure that a notice is published in sufficient time to allow submissions to be made by an elector or a ratepayer in respect of the proposed rate within 21 days of the publication of the notice.

POLICY CONSIDERATIONS

25. The City's Rates Policy continues to be based around differential rates.
26. The State Government has indicated a desire for Local Government to carefully consider the size of rate increases. The "My Council" website established by the Department of Local Government and Communities in May 2016, makes rating information highly visible.

COMMUNITY ENGAGEMENT REQUIREMENTS

Internal Referrals

27. Several Council briefings have been held with Councillors in May 2018 where multiple scenarios were discussed and considered.

External Referrals

28. Subject to the approval of the recommendation of this report, notice of the adopted figures will be advertised. A consultation period of 21 days will exist in which ratepayers can make comment or objection submissions to the proposed RID and minimums. This public consultation is done in line with the requirements of the *Local Government Act 1995*.

FINANCIAL CONSIDERATIONS

29. The raising of rates will enable the City to maintain sustainable operations. The City is faced with significant increases in relation to State Government related costs in excess of the national CPI of 1.9% (*source: WA State Budget 2018 – Implications for Local Government, 11 May 2018 by Walga Policy Manager, Economics, Dana Mason*). These are:

- a) Potential reduction on road grants with the reduction in vehicle licence fees;
- b) Emergency Services Levy increasing by 10.1% to enable the State Government deliver a dedicated rural fire service;
- c) Electricity tariff rates at 7%;
- d) Street Lighting at 3.2%;
- e) Water at 2.8%; and
- f) Increased external audit fees with Office of Auditor General taking over from 2018/19 onwards.

To mitigate the above increases, the City has been undertaking energy audits with an objective to select optimal operational tariffs applicable, using the open market to source power for contestable sights and retrofitting existing buildings and reserves with energy efficient lighting and equipment.

It is unfortunate these efficiencies are being eroded by the significant multi-year increases in state charges.

30. The City will also continue to focus on reviewing its services and costs structures in order to minimise the impact on ratepayers.
31. The proposed rating structure is a critical element in ensuring ongoing financial sustainability. It is also vital in enabling the City to deliver its significant capital works program and provide the services required by the community.

In light of the above, it should be noted that the City's Reserves will reduce significantly from \$16m in 2017/18 to \$6m by 2018/19 to fund the above. In

this respect, the City should be cautious and manage its financial resources prudently going into the next two to five years.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

32. *Kalamunda Advancing Strategic Community Plan to 2027*

Priority 4: Kalamunda Leads

Objective 4.1 - To provide leadership through transparent governance.

Strategy 4.1.1 - Provide good governance.

SUSTAINABILITY

Social Implications

33. Increasing rates will generally have an adverse impact on low income home owners. The City has in this respect has introduced several mechanisms in the past few years, such as:
- "Smarter Way to Pay";
 - Direct Debit Payment arrangements;
 - BPay View; and
 - eRates.

Economic Implications

34. The proposal to continue with and increase differential rating to commercial and industrial ratepayers may have an adverse impact on small businesses. In this light and in the current economic situation of the State, the City does not propose to have a higher increase than GRV General category for the 2018/19 financial year.

Environmental Implications

35. The continuation of the WARR Levy will enable the City to meet its community expectations and statutory requirements to remediate and manage contaminated sites.

RISK MANAGEMENT CONSIDERATIONS

36.	Risk: Delay in approving proposed rates could result in rate notices unable to be issued by 13 July 2018		
	Likelihood	Consequence	Rating
	Possible	Critical	Extreme
	Action/Strategy		
	Ensure that Council consensus is achieved by continuous briefing and updates on the budgets and rates modelling.		
	Risk: Community dissatisfaction with rate levels.		
	Likelihood	Consequence	Rating
	Possible	Moderate	Medium
	Action/Strategy		
	Community communication and information.		

OFFICER COMMENT

37. The City has undertaken a thorough analysis of its budget working proactively with Councillors to generate efficiencies and reduce operating costs.
38. The rates charges contained within this paper are necessary to enable the City to meet its current and future obligations.
39. This report is submitted in order that Council provide direction on the levels of rate increase and differential rate to be advertised for public comment as part of the 2018/19 Budget process.

The Chief Executive Officer informed Councillors of an amendment to the of wording to point 2 of the Officer Recommendation. That amendment is highlighted below.

Voting Requirements: Simple Majority

RESOLVED SCM 90/2018

That Council:

1. Approves the 2018/2019 rate in the dollar and the minimum rates to be advertised by public notice as per the following:

Category/Levy	Rate in \$	Minimum Rate \$
General GRV	0.05931	884
Industrial/Commercial GRV	0.06688	1104
Vacant GRV	0.08393	767
General UV	0.00339	884
Commercial UV	0.00400	1104
Waste Avoidance and Resource Recovery Levy (All Categories)	0.000418	20

2. **Notes and approves for publishing, the** Objects and Reasons for Proposed Differential Rate Categories for the 2018/2019 Financial Year (Attachment 3).

Moved: **Cr Margaret Thomas**

Seconded: **Cr Dylan O'Connor**

Vote: **CARRIED UNANIMOUSLY (9/0)**

8.2. Asset Services Reports

8.2.1. Budget 2018/19 - Consideration of Waste Service Charges

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

Previous Items	Nil
Directorate	Asset Services
Business Unit	Asset & Waste Operations
File Reference	HE-RLW-004
Applicant	N/A
Owner	N/A
Attachments	1. Resident Entry Pass - Sample [8.2.1.1] 2. Permit Application Form - Sample [8.2.1.2]

EXECUTIVE SUMMARY

1. The purpose of this report is to consider principles and rationale for developing the 2018/19 Waste Service Fees and Charges and proposed changes to entry controls for the Walliston Transfer Station.
2. The setting of Waste Service Fees and Charges for 2018/19 needs to take into account significant financial impacts such as the disposal cost of builder's rubble, the "free and unlimited" waste acceptance approach at the Walliston Transfer Station and the impact of the People's Republic of China's "National Sword" Program on the cost of recyclables processing.
3. It is recommended that Council approve the implementation of a Resident Entrance Pass and Permit system to the Walliston Transfer Station, endorses the principles and rationale outlined in the report for the development of the 2018/19 Waste Services Fees and Charges and adopts the course of action recommended for dealing with Recycling Processing Costs.

BACKGROUND

4. The Waste and Rubbish Charges (Charges) are compiled based on the principles and assumptions contained in *Kalamunda Accountable: Long Term Financial Plan (LTFP) to 2028*.
5. These principles and assumptions included:
 - a) Operating costs are set either by zero based budgeting principles or in line with CPI.
 - b) Domestic Rubbish Charges set at cost recovery plus overheads and contributions to reserves.
 - c) Fees and Charges based upon statutory requirements or cost recovery indexed by CPI.
 - d) Salaries and Wages increases set in accordance with Enterprise Bargaining Agreements or contract market rates.

DETAILS

6. The rationale for the development of the proposed Charges for inclusion within the 2018/19 Budget were presented to Council at its Budget workshops held on 15 May and 21 May 2018.

7. The proposed 2018/19 Charges are based upon the following increases:
- a) 2% operational expenditure increase (which takes into account increases in fuel costs, wage increases, contract increases etc).
 - b) \$5 increase in the Landfill Levy from \$65 to \$70 from 1 July 2018.
 - c) Additional \$7.50 increase in the Eastern Metropolitan Regional Council (EMRC) gate fees for the Redhill Landfill Disposal Site.
 - d) Additional Christmas/New Year Recycling collection service.

8. Options to address the impact on recyclables processing costs due to the National Sword program introduced by the People's Republic of China and the request for price variation by the City's recycling contractor have been addressed in Confidential Attachment 1.

9. Walliston Transfer Station

Waste volumes collected at the Walliston Transfer Station (WTS) continue to increase because of the City's current "Free and Unlimited" entry, resulting in greater than 2017/18 volume estimations.

Therefore, in conjunction with the proposed 2018/19 Charges it is proposed to introduce new entry limitations to the WTS to stabilise the volumes of waste collected and minimise the increase to the Charge by budgeting that these entry measures will reduce the volumes collected by almost 10%.

Controlling both the use of the WTS by persons who are not City of Kalamunda residents and the origins of commercial waste has been challenging and the new entry systems are proposed as a method of addressing these two issues.

These new entry requirements are to be put in place to ensure all City of Kalamunda ratepayers still have sufficient entry opportunities for general waste, greens and recyclables and at the same time control the unauthorised entry and waste coming from outside the municipality boundaries.

10. Resident Entry Pass

The proposed WTS entry requirements are recommended through a new Resident Entry Pass (refer Attachment 1) issued with the annual Rates Notice allowing:

Entry by City of Kalamunda Residents only

- a) Four (4) General Waste Transfer Station entries (which can be used for building rubble)
- b) Unlimited Green Waste entries
- c) Unlimited Recyclables entries
- d) General Waste overrules mixed waste loads and an Entry Pass must be used.

Residents using all of the four Entry Passes allocated will still be able to access the WTS by paying an additional entry fee at the gate via EFTPOS of \$50 per entry.

In addition, City of Kalamunda residents who do have Commercial Waste will still be able to use the facility but will be required to pay commercial rates based on the EMRC rates at the Red Hill Landfill Facility.

Entry Permit

It is also proposed to create a new Permit system to enable local City of Kalamunda tradespersons to be able to use their branded vehicles less than 3.5 tonne Gross Vehicle Mass (GVM) only for their domestic waste at the WTS. Refer Attachment 2 for a Sample Permit Application.

A sample Entry Permit is still to be developed.

11. This new entry requirement will require the Entry Permit, along with the Resident Entry Pass and photographic identification aligning them with property address to be presented.
12. The City of Kalamunda currently provides the following key waste collection/disposal and resource recovery services:
 - a) Weekly Domestic Rubbish Service
 - b) Fortnightly Recycling Service
 - c) "Free and Unlimited" entry to the Walliston Transfer Station
 - d) Acceptance of Building Rubble at Walliston Transfer Station
 - e) 21 Recyclable Waste Streams at Walliston Transfer Station
 - f) General Waste Skip Bin Service for residential bulk waste
 - g) Green Waste Skip Bin Service for residential green waste
 - h) Additional Skip bins for residential properties over 2000m²
 - i) Public Park & Reserves and Street Bin Collection
 - j) Road & Footpath Sweeping
 - k) Litter Patrol
13. In comparison to the 2017/18 Domestic Full Service Charge of \$531; it is proposed to delete "Free and Unlimited" entry and only accept builders rubble through the Entry Pass system, resulting in the following components of the proposed 2018/19 Charge of \$539:

2017/18 Domestic Full Service Charge	\$531
Increases:	
2% Operational Expenditure	\$11
EMRC Increase including Levy	\$14
Extra Christmas/New Year Recycling	\$1
Sub-Total	\$557

Reductions:

Control entry by pass for 4 entries per year all which can be used for builder's rubble, with unlimited green waste and recyclables and tighter controls with local commercial operators.	-\$18
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Total \$539

STATUTORY AND LEGAL CONSIDERATIONS

14. Section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, enables Local Government to set fees for Waste Services.

Section 6.2 of the *Local Government Act 1995* requires a local government to adopt its budget prior to 31 August each year.

Divisions 5 and 6 of Part 6 of the *Local Government Act 1995* refers to the setting of budgets and the raising of rates and fees and charges. The 2018/19 Budget will be presented to meet these statutory obligations.

POLICY CONSIDERATIONS

15. The Budget is developed based on the principles contained in the *Kalamunda Accountable: Long Term Financial Plan to 2028*.

COMMUNITY ENGAGEMENT REQUIREMENTS

Internal Referrals

16. Nil.

External Referrals

17. Nil.

FINANCIAL CONSIDERATIONS

18. The Charge for the City of Kalamunda is becoming a significant percentage of the overall rates bill that ratepayers receive annually.

This is due to a multitude of reasons, with some inputs beyond the control of the City, such as the landfill levy which has increased significantly in the past few years and the fees imposed by the EMRC for disposal of waste at the Red Hill Landfill Facility.

19. The City is investing in its Waste Transfer Station, Educational awareness programmes, and maintaining a wide range of waste collection/disposal and resource recovery services which all impact on the annual Waste Services Budget.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

20. *Kalamunda Advancing Strategic Community Plan to 2027*

Priority 2: Kalamunda Clean and Green

Objective 2.3 - To reduce the amount of waste produced and increase the amount of reuse and recycling of waste.

Strategy 2.3.1 - Identify and implement strategies to reduce waste.

SUSTAINABILITY

Social Implications

21. The changes to the WTS to incorporate a Residential Entry Pass with four general waste entries and unlimited greens and recyclables, will ensure that the City's residents have a facility to allow disposal of waste and recyclables in excess of that collected through the domestic, recycling and skip bin services.

Economic Implications

22. The proposed 2018/19 Charge has been developed to minimise the impact of costs beyond the control of the City by including measures to control the depositing of excessive general waste materials at the WTS.

Environmental Implications

23. The proposal to allow unlimited disposal of greens and recyclables at the WTS, in conjunction with the other services provided by the City will ensure opportunities to maximise the City's recycling and reuse initiatives.

RISK MANAGEMENT CONSIDERATIONS

24.	Risk: That the measures proposed do not control the excessive and unauthorised use of WTS.		
	Likelihood	Consequence	Rating
	Unlikely	Significant	Medium
	Action/Strategy		
	The concurrent introduction of a data management system will provide accurate data which will enable trends to be determined with excessive and unauthorised use to be further investigated because of real time data.		

OFFICER COMMENT

25. Control of the number of entries and eligibility of users is considered necessary because entry figures taken over a 4-week period in November 2017 indicated that there were 147 people who used the facility more than 4 times within that period, with the highest number of entries by a single person being 19 times which is considered to be excessive out of a total of 3700 entries.
26. The permit system developed is based upon a model used by a small number of other Councils and its aim is to provide clarity between domestic and commercial waste and control the volume of building rubble disposed at the facility. In 2017/18 approximately 6000 tonnes of builder's rubble collected at the WTS and transported to approved receival sites at a significant cost of \$500,000.

27. In conjunction with the Resident Entry Pass arrangement, a data management system will be concurrently put in place to provide Council with improved data relating to the usage of the facility enabling it to make better informed decisions on the strategic direction of the facility in future years.
28. The capacity of the WTS is stretched during the summer months and it is proposed that the data capture will enable the personalisation of information to users, outlining other opportunities such as the skip bin service to assist in reducing the number of vehicles on site at any time during this busy period.
29. With the increase in costs outside of the control of the City such as the Landfill levy and the EMRC's gate fees, the recommended entry control measures are aimed to minimise the increase to the Charge and still enable residents reasonable access to the facility but control excessive and unauthorised use.

Voting Requirements: Absolute Majority

RESOLVED SCM 91/2018

That Council:

1. Approves the implementation of a Resident Entry Pass to the Walliston Transfer Station which allows four General Waste Entries (which can be used for building rubble) and unlimited entries to dispose of specified recyclable materials and green waste, subject to conditions as detailed on the sample Pass shown on Attachment 1.
2. Approves the implementation of a Permit system for the disposal of residential general waste, recyclables and green waste at the Walliston Transfer Station with branded/commercial vehicles, large trailers and/or trucks up to 3.5 tonne GVM (Refer Attachment 2 for a sample Permit Application form).
3. Endorses the principles outlined in this report for the development of the 2018/19 Waste Services Fees and Charges for consideration as part of the adoption of the 2018/19 Budget.
4. Adopts the course of action recommended in Confidential Attachment 3 dealing with Recycling Processing Costs.

Moved: **Cr Geoff Stallard**

Seconded: **Cr Margaret Thomas**

Vote: **CARRIED UNANIMOUSLY/ABSOLUTE MAJORITY (9/0)**

9. Meeting Closed to the Public

9.1 Nil.

10. Closure

There being no further business, the Presiding Member declared the Meeting closed at 6.36pm

I confirm these Minutes to be a true and accurate record of the proceedings of this Council.

Signed: _____
Presiding Member

Dated this _____ day of _____ 2018.