

DIS216: CONTAINERS FOR CHANGE REFUND POINT AT HANRAHAN ROAD WASTE FACILITY

Land Description	: Hanrahan Road Waste Facility
Attachments	: CONFIDENTIAL Refund Point Agreement between WARRRL & City of Albany
Report Prepared By	: Waste Project Officer (J Passmore)
Responsible Officers:	: Executive Director Infrastructure, Development and Environment (P Camins)

STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan or Corporate Business Plan informing plans or strategies:
 - **Theme:** Clean, Green & Sustainable.
 - **Objective:** To identify and deliver improvements in sustainability within the City and wider community.
 - **Community Priority:** Deliver a sustainable and progressive approach to waste management including collaboration with neighbouring local governments.

In Brief:

- The City has been informed by WARRRL that subcontracting of the operation of a Containers for Change Refund Point is not approved.

RECOMMENDATION

**DIS216: DRAFT MOTION
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT in accordance with clause 3.5 of the City of Albany Standing Orders Local Law 2014 (as amended) Report Item DIS216: Containers for Change Refund Point at Hanrahan Road Waste Facility be ACCEPTED for consideration as an urgent item.

**DIS216: RESPONSIBLE OFFICER RECOMMENDATION
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT by mutual agreement, Council APPROVE the termination of the City's agreement with WA Return Recycle Renew Limited (WARRRL) to operate a Containers for Change Refund Point at Hanrahan Road Waste Facility.

BACKGROUND

2. In October 2019 the City of Albany submitted an application to WARRRL, the state container deposit scheme coordinator, to host a Containers for Change Refund Point (Refund Point) for the community from the shed adjacent to Fossicker's Tip Shop at Hanrahan Road Waste Facility.
3. The City specified that the application was made subject to there being no other suitable local operator available, to ensure the Albany community would have easy access to Containers for Change and benefit from its objectives.
4. In December 2019 WARRRL informed City staff that the proposed site had been selected as one of the two preferred full time Refund Points to service and benefit the Albany community.

5. At the February OCM Council voted to approve the establishment of a Containers for Change Refund Point at Hanrahan Road Waste Facility and to authorise the CEO to issue a Request for Proposal (RFP) to seek a partner to operate the Refund Point.
6. Following a legal review of contractual obligations an agreement between the City and WARRRL was executed on Friday 28 February 2020.
7. An announcement was made on 31 March 2020 that the launch of Containers for Change, which had been scheduled for 1 June 2020, would be deferred due to COVID-19 to either November 2020 or June 2021 with a final decision on a new commencement date in August.
8. Following the announcement in March the City put the majority of mobilisation activities on hold to focus on continuing the delivery of essential waste services to our community. The RFP seeking proposals from community organisations and businesses to partner with the City to operate the Refund Point was issued and the return date was extended to 14 May 2020.

DISCUSSION

9. Three submissions were received in response to the RFP. These being one to provide recruitment services only, one to provide consultancy services only and one to operate the Refund Point in full. The proposal to operate the Refund Point in full included the operator taking on all risks including any Capital Works required to modify the building and included the City receiving a rental income every year. The proponent would partner with the Rainbow Coast Neighbourhood Centre to ensure community involvement through employment opportunities to disadvantaged local people.
10. On 26 May 2020 the state government announced that the new Containers for Change launch date had been brought forward to 1 October 2020.
11. On 28 May 2020 the Waste Management Working Group determined that under the City's current circumstances due to COVID-19 – with permanent staff on reduced hours and a hold on the use of casual and agency staff – mobilisation of a Refund Point at the same time as launching the FOGO service would only be viable if WARRRL approved a partnership with the applicant proposing to operate the Refund Point in full.
12. The Manager City Engineering made contact with WARRRL by phone on 26 May 2020 and email on 8 June 2020 to explain the City's current circumstances and indicate that the only viable option for a City-run Refund Point was through a partnership with the applicant proposing to operate the Refund in full.
13. The email reiterated that the City's original application was subject to there being no other suitable local operators available and that regardless of the outcome the City would promote Containers for Change and the local Refund Points to our community.
14. On 17 June 2020 WARRRL informed the City that they would not approve the sub-contracting of Refund Point Agreement obligations through the proposed partnership.
15. WARRRL has indicated they are in discussion with other potential Refund Point operators in Albany.

GOVERNMENT & PUBLIC CONSULTATION

16. Regardless of who operates the Refund Points, the City will continue to promote Containers for Change and the location of Refund Points to our community through various communication channels as part of our commitment to ensuring Albany residents have easy access to the scheme, roadside litter is decreased and resource recovery is maximised.

17. Community Engagement

Type of Engagement	Method of Engagement	Engagement Dates	Participation (Number)	Statutory Consultation
Inform	City website, social media and annual Waste & Recycling Guide	Ongoing		

STATUTORY IMPLICATIONS

18. Waste Avoidance and Recovery Act and associated Regulations.

POLICY IMPLICATIONS

19. There are no policy implications directly relating to this item.

RISK IDENTIFICATION & MITIGATION

20. The risk identification and categorisation relies on the City's Enterprise Risk and Opportunity Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Community Risk: Not providing a Refund Point may limit the community's opportunity to participate in Containers for Change.	Possible	Moderate	Medium	Promote and educate residents on how to participate through other local Refund Points.
Legal & Reputational Risk: Withdrawing from the contract may result in loss of reputation.	Possible	Minor	Low	Communicate clearly to stakeholders the reasons for withdrawing from the contract and promote the alternative options for local residents.
Operational Risk: Operating a Refund Point without a partner will be difficult while staff are working on reduced hours, particularly with no access to casual and agency staff.	Almost Certain	Moderate	High	Approve the termination of the Refund Point contract with WARRRL.
Opportunity: Promote Containers for Change and its objectives to reduce litter, increase recycling and provide funds for local individuals and community groups while encouraging local enterprise and mitigating the City's operational risk.				

FINANCIAL IMPLICATIONS

21. The City has not spent any funds on changes to the site in preparation for the planned Refund Point.

22. The City has spent some officer time on the issue of the RFP.

LEGAL IMPLICATIONS

23. The City entered into a Refund Point Agreement with WARRRL and terminating the agreement is likely to be by mutual consent with no financial implications as WARRRL has other organisations that can run a facility for them.

ENVIRONMENTAL CONSIDERATIONS

24. Though not providing a Refund Point at Hanrahan Road Waste Facility may reduce easy access to participate in the scheme, it is anticipated residents will still have access to refund points to create benefits to our community including decreased roadside litter, increased resource recovery and decreased contamination in kerbside recycling bins from broken glass.

ALTERNATE OPTIONS

25. Consideration was given to operating the facility but under current restrictions that is not feasible and WARRRL have other organisations that could provide a facility to their current timeframes.

CONCLUSION

26. The potential financial risks associated with running the Refund Point during a time when staff are working 80% hours will be minimised with the termination of the current Refund Point Agreement with WARRRL.
27. This is compounded as WARRRL are unwilling to accept the City partnering with an organisation that would de-risk the operation of the Refund Point. This will not adversely affect the community as WARRRL has at least two other organisations willing to operate the facility for them.
28. The City would continue to advertise the two Refund Points to ensure that waste is minimised and litter is reduced. Ultimately residents will still have the same opportunity to receive income from two Refund Points within Albany without the financial risk of the City operating a Refund Point at the Hanrahan Road Waste Facility.

Consulted References	:	<ul style="list-style-type: none">• <i>City of Albany Community Waste Resource Strategy 2019-26</i>• <i>Waste Avoidance and Resource Recovery Amendment (Container Deposit Scheme) Act 2019</i>
File Number (Name of Ward)	:	WM.SP.V.16
Previous Reference	:	DIS198