

## 5.4. RESOURCE RECOVERY INDUSTRY DEVELOPMENT PROGRAM

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### RECOMMENDATION

That Council resolves to:

- 1. Endorse a funding application to the State Government's 'Stream One: Resource Recovery Grants Fund' for \$282,500 (GST Excl) for the Killaloe Resource Recovery Centre project;**
- 2. Co-fund the project to at least 50 per cent of the eligible project costs; and**
- 3. Delegate authority to the Chief Executive Officer in accordance with Section 257 of the *Local Government Act 2009* to finalise any and all matters associated with the grant application.**

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### EXECUTIVE SUMMARY

The Resource Recovery Industry Development Program (RRIDP) provides financial assistance for the development of projects aimed at facilitating waste avoidance, landfill diversion and recycling activities.

Stream One: Resource Recovery Grants Fund of this program offers dollar-for-dollar capital grants from \$50,000 and \$5 million for infrastructure projects to enhance or build new facilities or for capital investments in new processing and technological capabilities.

This report seeks Council's approval for a proposed funding application and the required co-contribution for the Killaloe Resource Recovery Centre project.

### BACKGROUND

The State Government will introduce a waste disposal levy in March 2019, initially set at \$70 per tonne of general waste sent to landfill. RRIDP provides financial assistance for the development of projects aimed at facilitating waste avoidance, landfill diversion and recycling activities.

Stream One: Resource Recovery Grants Fund will be awarded following a two-stage, rounds-based competitive process, beginning with an eligibility assessment. Expressions of interest (EOI) opened in September and closed 5pm Friday 5 October 2018.

Under the EOI, the proposed elements of the project for the Killaloe Waste Disposal Site include:

- constructing a new resource recovery shed enabling waste to be sorted into streams and recovered for reuse; including concrete, timber and scrap metal. This material would otherwise go to landfill;
- installing a roof over the existing recycling drop off bays to increase the recyclability of material in these bays, particularly cardboard; and

- constructing a heavy vehicle turnaround, enabling vehicles to exit the designated Resource Recovery Area and enter the landfill via the weighbridge as required by the new legislation.

Killaloe Waste Disposal Facility (“Killaloe”) is the largest waste facility in the Shire, receiving approximately 8,500 tonnes of waste from Council’s remote transfer stations and domestic and commercial sources. Resource recovery is limited by the infrastructure at this site, currently consisting of public drop off bays and stockpile areas of recovered concrete, scrap metal and smaller volumes of other recovered material.

Douglas Shire Council is proposing to upgrade Killaloe under the Resource Recovery Industry Development Program (RRIDP), constructing a new roof over the existing waste disposal bays and a new processing shed in Council’s declared resource recovery area. Additional road infrastructure is also required as part of this project to ensure loads are measured in accordance with levy requirements.

The Far North Regional Organisation of Councils (FNQROC) plans to channel recyclables to Cairns Materials Recycling Facility (MRF) to improve potential processing of the off takes, growing the local economy and jobs in Far North Queensland. The project will support the upgrades to Cairns Regional Council’s MRF by improving the quality and quantity of recyclable material sent to this facility.

#### New roof over waste disposal bays

Douglas Shire has an extremely high average rainfall which impedes recovery efforts. The new roof over the waste disposal bays is expected to:

- increase the recyclability of material in these bays, particularly cardboard, paper and composite board which cannot be recovered when it is wet;
- improve the quality of recyclables in these bays, particularly co-mingled dry recyclables which are exported to Cairns Regional Council’s MRF;
- improve the recovery of reusable items for the buy-back shop by protecting these items from the weather;
- allow for the potential storage and recovery of paper and cardboard from remote sites;
- reduce the wet weight of material which is exported off site for recycling, increasing transport efficiencies; and
- reduce the volume of contaminated stormwater and amount of wind-blown litter from these bays, resulting in improved economic and environmental outcomes.

#### New processing shed

Construction of a processing shed at Killaloe will enable mixed waste, destined for landfill to be sorted into streams which can be recovered for reuse or recycling. This shed is also expected to deliver a higher level of supervision, allowing increased surveillance of patrons to correctly dispose waste and identification of regulated and non-accepted waste items, resulting in improved compliance with licence conditions.

Increased volumes of recovered material are expected to:

- increase the occurrence of material processing and export to markets, resulting in the reduction of long-term stockpiling;
- stimulate growth in existing industries, such as crushing of concrete for reuse;
- result in the recovery of increased volumes of existing waste streams and the recovery of new waste streams, which may attract investment and innovation in secondary markets which do not currently exist in the area;

- contribute toward creating a circular economy; and
- result in expansion of the existing tip shop, which currently only gives away small volumes of recovered material.

## COMMENT

Further to the *Stream One: Resource Recovery Grants Fund* Guidelines, Council's Executive Leadership Team has provided internal approval for an Expression of Interest (EOI) to be lodged for the Killaloe Resource Recovery Centre project.

Due to the timeframes, formal endorsement from elected members was unable to be obtained by the EOI closing date.

A Council Resolution is required to confirm authority to apply for a grant and proceed with the project, including a commitment from Council to co-fund at least 50 per cent of the capital costs and fund the ongoing operational costs.

Successful applicants will be invited by 26 October 2018 to submit a detailed application in the following 4 weeks, followed by an 8 to 12 week assessment period with the outcome expected by February 2019.

## PROPOSAL

The proposal is for Council to endorse a funding application to the State Government's *Stream One: Resource Recovery Grants Fund* for \$282,500 (GST Excl.) for the Killaloe Resource Recovery Centre project, co-fund the project to at least 50% of eligible project costs and commit to funding the ongoing operational costs.

## FINANCIAL/RESOURCE IMPLICATIONS

The total expected cost for shed and upgrade of access roads is \$350,000. Installation of a roof over the existing recycling drop off bays is expected to cost \$140,000 and constructing a heavy vehicle turnaround is expected to cost \$75,000.

Ongoing operational costs for this project are estimated at approximately \$50,000 annually. There is some uncertainty around this cost, particularly due to the unknown quantities and type of material which will be recovered with this new processing method, markets for these materials, the number of truck movements required, savings which will be made from the levy itself and the potential revenue for sale of material in the secondary markets.

The total eligible project costs are estimated to be \$565,000 GST Excl, with Council seeking 50% of this cost under the grant. The required Council co-contribution to complete this project will need to be incorporated into the 2019/2020 capital budget should the funding application be successful.

## RISK MANAGEMENT IMPLICATIONS

Should Council be invited to submit a detailed application, project risks, including key project risks, potential consequences and mitigation measures will be implemented. This will include risks associated with obtaining Native Title, land tenure and planning approvals where required.

## SUSTAINABILITY IMPLICATIONS

**Economic:** Material processing prior to export is also expected to result in higher volumes in each load and lower transportation costs, contributing to the long-term sustainability of this facility.

**Environmental:** The project will reduce the amount of waste going to landfill with increased landfill diversion rates supporting the State's Resource Recovery Strategy.

**Social:** The project will improve the visual amenity and recovery performance of Killaloe as a whole, resulting in increased community pride and confidence in the waste industry.

## CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

### Corporate Plan 2014-2019 Initiatives:

#### Theme 2 - Building a Sustainable Economic Base

*2.2.1 - Develop business initiatives to support commercial development and investment within the Shire.*

#### Theme 3 - Improve Environmental Performance

*3.1.4 - Promote a culture within our communities of "zero tolerance to littering" and introduce an educational, regulatory and enforcement regime to underpin it.*

*3.1.5 - Investigate opportunities for improved recycling and re-use of waste deposited at landfill sites.*

*3.1.6 - Pursue best practice management outcomes for waste management facilities.*

#### Theme 4 - Engage, Plan, Partner

*4.2.2 - Provide leadership to secure beneficial social, environmental and economic outcomes for the Shire.*

*4.2.3 - Work with regional, state, national and international stakeholders to promote beneficial partnerships to support strong, resilient and sustainable communities.*

## COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

**Asset-Owner** Meeting the responsibilities associated with owning or being the custodian of assets such as infrastructure.

- Part-Funder**      Sharing the cost of a program or activity with other organisations.
- Regulator**       Meeting the responsibilities associated with regulating activities through legislation or local law.

## CONSULTATION

**Internal:**            Executive Leadership Team comprising Chief Executive Officer, Acting General Manager Operations, General Manager Corporate Services; and Manager Sustainable Communities, Waste Operations Field Officer.

**External:**          Senior Economic Development Officer of Regional Economic Development, Department of State Development, Manufacturing, Infrastructure and Planning

## COMMUNITY ENGAGEMENT

Nil.

## ATTACHMENTS

1.    Map of Project Area - RRIDP Funding **[5.4.1]**

# Killaloe Waste Disposal Facility – Proposed Infrastructure under RRIDP

Construction of a processing shed, a roof over the waste disposal bays and a vehicle turnaround for levy requirements

