



AGENDA

3rd Ordinary Council Meeting

11th Council of Litchfield

TUESDAY 16/11/2021

Meeting to be held commencing 6:00pm
in Council Chambers at 7 Bees Creek Road, Freds Pass
https://www.youtube.com/channel/UCdM3M5gfh6-wQ0KiL89_2eg/live

Community & Public Question Time
will be held from 5:30pm – 6:00pm

Daniel Fletcher
Chief Executive Officer

COVID-19 Statement of Commitment

The Ordinary Meeting of Council will be open to the public and holds a Statement of Commitment to adhere to:

- Physical distancing measures
- Health and hygiene principles



COUNCIL AGENDA

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COUNCIL AGENDA

LITCHFIELD ORDINARY COUNCIL MEETING

Tuesday 16 November 2021

1. Acknowledgement of Traditional Ownership

Council would like to acknowledge the traditional custodians of this land on which we meet tonight. We pay our respects to the Elders past, present and future for their continuing custodianship of the land and the children of this land across generations.

2. Opening of Meeting

An audio & visual recording of this meeting is live streamed to Council's YouTube channel and will remain online for public viewing in accordance with Council's Recording of Council Meetings Policy. By attending this meeting, you confirm you have read and agree to comply by Council's Recording of Council Meetings Policy.

3. Electronic Attendance / Apologies and Leave of Absence

- 3.01 Electronic Attendance
- 3.02 Apologies
- 3.03 Leave of Absence Previously Granted
- 3.04 Leave of Absence Request

4. Disclosures of Interest

Any member of Council who may have a conflict of interest, or a possible conflict of interest regarding any item of business to be discussed at a Council meeting or a Committee meeting should declare that conflict of interest to enable Council to manage the conflict and resolve it in accordance with its obligations under the Local Government Act and its policies regarding the same.

- 4.01 Elected Members
- 4.02 Staff

5. Confirmation of Minutes

5.01 Confirmation of Minutes

- Ordinary Council Meeting held Tuesday 19 October 2021, 10 pages

5.02 Council Action Sheet / Business Arising from Previous Meetings



COUNCIL MINUTES

LITCHFIELD COUNCIL MEETING

Minutes of Ordinary Meeting
held in the Council Chambers, Litchfield
on Tuesday 19 October 2021 at 6:00pm

Present	Doug Barden Mathew Salter Rachel Wright Andrew Mackay Kevin Harlan Emma Sharp Mark Sidey	Mayor Deputy Mayor / Councillor North Ward Councillor North Ward Councillor Central Ward Councillor Central Ward Councillor South Ward Councillor South Ward
Staff	Daniel Fletcher Leon Kruger Arun Dias Kylie Hogan Diana Leeder Debbie Branson	Chief Executive Officer General Manager Infrastructure & Operations General Manager Business Excellence Strategic Project Advisor Executive Manager Community Inclusion Executive Assistant
Public	As per Attendance Register	

1. ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

On behalf of Council, the Mayor acknowledged the Traditional Custodians of the land on which the Council meet on. The Mayor also conveyed Council's respect to the Elders past, present and future for their continuing custodianship of the land and the children of the land across generations.

2. OPENING OF THE MEETING

The Mayor opened the meeting and welcomed members of the public.

The Mayor advised that an audio and visual recording of the meeting was live streamed to Council's online platform and will remain online for public viewing in accordance with Council's Recording of Council Meetings Policy. By attending the meeting, those present agreed to comply by Council's Recording of Council Meetings Policy.

3. ELECTRONIC ATTENDANCE / APOLOGIES AND LEAVE OF ABSENCE

3.1 Electronic Attendance

Nil.

3.2 Apologies

Nil.

3.3 Leave of Absence Previously Granted

Nil.

3.4 Leave of Absence Request

Nil.

4. DISCLOSURE OF INTEREST

The Mayor advised that any member of Council who may have a conflict of interest, or a possible conflict of interest regarding any item of business to be discussed at a Council meeting or a Committee meeting should declare the conflict of interest to enable Council to manage the conflict in accordance with its obligations under the Local Government Act and its policies regarding the same.

4.1 Elected Members

No disclosures of interest were declared.

4.2 Staff

No disclosures of interest were declared.

5. CONFIRMATION OF MINUTES

5.1 Confirmation of Minutes

Moved: Deputy Mayor Salter

Seconded: Cr Wright

THAT Council confirm the following:

1. Special Council Meeting held 15 September 2021, 7 pages;
2. Ordinary Council Meeting minutes held 29 September, 8 pages; and
3. Ordinary Council Meeting Confidential minutes held 29 September, 1 page.

CARRIED (7-0) ORD2021 11-016

5.2 Council Action Sheet / Business Arising from Previous Meetings

Moved: Deputy Mayor Salter
Seconded: Cr Wright

THAT Council receive and note the Action List.

CARRIED (7-0) ORD2021 11-017

6. PETITIONS

Nil.

7. DEPUTATIONS AND PRESENTATIONS

Nil.

8. PUBLIC QUESTIONS

Nil.

9. ACCEPTING OR DECLINING LATE ITEMS

9.01 Late Report – Item 14.02.05 Nomination for Appointment to the Berry Springs Water Advisory Committee

Moved: Cr Harlan
Seconded: Cr Sharp

THAT the late report item 14.02.05 Nomination for Appointment to the Berry Springs Water Advisory Committee, be accepted and included under Officer's reports 14.02 Council Leadership and Community Service for consideration.

CARRIED (7-0) ORD2021 11-018

9.02 Late Report – Item 14.03.04 Suitability of Local Roads and Community Infrastructure Funding New Multipurpose Community Building

Moved: Cr Wright
Seconded: Cr Harlan

THAT the late report item 14.03.04 Suitability of Local Roads and Community Infrastructure Funding New Multipurpose Community Building:

1. be accepted; and
2. the Order of Business be amended so that this late report be considered by immediately prior to moving to the next agenda item.

CARRIED (7-0) ORD2021 11-019

Mark Hogan, Planning & Development Program Leader attended and presented to the meeting at 6:11pm

14.03.04 Suitability of Local Roads and Community Infrastructure Funding New Multipurpose Community Building

Moved: Cr Mackay
Seconded: Cr Sidey

THAT Council note the report titled Suitability of Local Roads and Community Infrastructure Funding New Multipurpose Community Building.

CARRIED (7-0) ORD2021 11-020

Mark Hogan, Planning & Development Program Leader left the meeting at 6:28pm

10. NOTICES OF MOTION

10.1 Rescission – Selection of Projects for Phase 2 of LRCI and 2020/21 LGPIF

Moved: Cr Sidey
Seconded: Deputy Mayor Salter

THAT Motion 2021/136 – 15.3.2 Selection of projects for phase 2 of LRCI and 2020/21 LGPIF funding be rescinded and

1. That all work associated with the “New community room at Council’s main building” cease at the completion of the architectural / engineering drawings phase; and
2. that the project not proceed to tender.

A Division was called
Those voting in the affirmative of the motion: Mayor Barden, Deputy Mayor Salter
and Cr Sidey
Those voting in the negative of the motion: Cr Wright, Cr Sharp, Cr Harlan and Cr
Mackay
MOTION LOST (3-4)

10.2 Selection of Projects for Phase 2 of LRCI and 2020/21 LGPIF

Cr Sidey withdrew the Notice of Motion.

11. MAYORS REPORT

Moved: Mayor Barden
Seconded: Cr Sidey

THAT Council receive and note the Mayor’s monthly report.

CARRIED (7-0) ORD2021 11-021

12. REPORT FROM COUNCIL APPOINTED REPRESENTATIVES

Councillors appointed by Council to external committees provided an update where relevant.

Moved: Cr Harlan

Seconded: Cr Sharp

THAT Council note the Councillors' verbal reports.

CARRIED (7-0) ORD2021 11-022

Kylie Hogan, Strategic Project Advisor attended and presented to the meeting at 7:05pm

13. WORK TEAM PRESENTATION

13.01 Strategic Project Advisory

Moved: Cr Mackay

Seconded: Cr Wright

THAT Council receive and note the Work Team Strategic Project Advisory Presentation.

CARRIED (7-0) ORD2021 11-023

Kylie Hogan, Strategic Project Advisory left the meeting at 7:11pm

14. OFFICERS' REPORTS

14.01 Business Excellence

14.01.01 Litchfield Council Finance Report

Moved: Deputy Mayor Salter

Seconded: Cr Harlan

THAT Council note the Litchfield Council Finance Report for the period ended 30 September 2021.

CARRIED (7-0) ORD2021 11-024

Danny Milincic, Manager People and Performance attended and presented to the meeting at 7:20pm

14.01.02 People, Performance and Governance Monthly Report – September 2021

Moved: Cr Wright

Seconded: Cr Harlan

THAT Council note the People, Performance and Government monthly report for September 2021.

CARRIED (7-0) ORD2021 11-025

Danny Milincic, Manager People and Performance left the meeting at 7:28pm

14.01.03 Recording of Council Meetings

Moved: Cr Wright

Seconded: Cr Sidey

THAT Council:

1. note the outcome of the four-month trial of audio-visual recording and live streaming of Ordinary and Special Council Meetings;
2. resolve to continue the audio-visual recording and live streaming of Ordinary and Special Council Meetings moving forward; and
3. adopt GOV07 Recording of Meetings Policy (Attachment A).

CARRIED (7-0) ORD2021 11-026

14.01.04 Energy Efficiency and Sustainability Grant Acquittal

Moved: Deputy Mayor Salter

Seconded: Cr Harlan

THAT Council receive and note the Energy Efficiency and Sustainability Grant Acquittal.

CARRIED (7-0) ORD2021 11-027

Danny Milincic, Manager People and Performance attended and presented to the meeting at 7:20pm

14.01.05 GOV19 Breach of Code of Conduct Policy

Moved: Cr Wright

Seconded: Cr Sharp

THAT adopt the proposed GOV19 Breach of Code of Conduct Policy, as at Attachment A and Attachment B Flowchart, subject to any minor editorial adjustments.

CARRIED (7-0) ORD2021 11-028

Danny Milincic, Manager People and Performance left the meeting at 7:28pm

14.01.06 GOV13 Managing Requests to Council Members Policy

Moved: Cr Harlan

Seconded: Cr Sharp

THAT Council adopt the proposed GOV13 Managing Requests to Council Members Policy, as at Attachment A, subject to any minor editorial adjustments.

CARRIED (6-1) ORD2021 11-029

Danny Milincic, Manager People and Performance attended and presented to the meeting at 7:49pm

14.01.07 EM03 Access to Meeting Policy

Moved: Cr Mackay
Seconded: Cr Wright

THAT Council adopt the proposed EM03 Access to Meeting Policy, as at Attachment A, subject to any minor editorial amendments.

CARRIED (7-0) ORD2021 11-030

Danny Milincic, Manager People and Performance left the meeting at 7:52pm

14.02 Council Leadership & Community Services

14.02.01 Municipal Plan 2021-2022 Quarterly Performance Review July – September 2021

Moved: Cr Harlan
Seconded: Cr Wright

THAT Council receives the Municipal Plan 2021-22 Quarterly Performance Report for the first quarter ending 30 September 2021.

CARRIED (7-0) ORD2021 11-031

14.02.02 Review of Policy REG01 – Disposal of Surrendered and Unclaimed Impounded Dogs

Moved: Cr Sharp
Seconded: Cr Harlan

THAT Council adopt the proposed REG01 Disposal of Surrendered and Unclaimed Impounded Dogs Policy, as at Attachment A, subject to any minor editorial adjustments.

CARRIED (7-0) ORD2021 11-032

14.02.03 Palmerston and Litchfield Seniors Association – Request for Funding Agreement Extension

Moved: Cr Wright

Seconded: Cr Sharp

THAT Council:

1. acknowledge the contribution of the Palmerston and Litchfield Seniors Association in providing social opportunities and celebratory events for seniors living in the Litchfield Municipality;
2. continue to support the Palmerston and Litchfield Seniors Association with a three-year funding agreement 2021 - 2024, commencing with base level funding of \$7,500 per annum for 2021 – 2022 with any additional funding to be considered during the 2022/23 budget process; and
3. advise the Palmerston and Litchfield Seniors Association that consideration of its application for an increase in funding for the second and third years of the agreement will be based on the provision of a budget identifying the need for such an increase.

CARRIED (7-0) ORD2021 11-033

14.02.04 Local Government Association of the NT – NT Heritage Council Nomination

Moved: Cr Mackay

Seconded: Cr Harlan

THAT Council advise the Local Government Association of the Northern Territory that Deputy Mayor Salter be nominated to represent LGANT on the Northern Territory Heritage Council.

CARRIED (7-0) ORD2021 11-034

14.02.05 Nomination for Appointment to the Berry Springs Water Advisory Committee

Moved: Cr Sidey

Seconded: Deputy Mayor Salter

THAT Council:

1. nominates Mayor Barden for appointment to the Berry Springs Water Advisory Committee; and
2. note that the nomination has been submitted to the Department of Environment, Parks and Water Security on 15 October 2021.

CARRIED (7-0) ORD2021 11-035

14.03 Infrastructure and Operations

Mark Hogan, Planning & Development Program Leader attended and presented to the meeting at 8:30pm

14.03.01 Summary Planning and Development Report September 2021

Moved: Cr Mackay
Seconded: Deputy Mayor Salter

THAT Council:

1. receive the Summary Planning and Development Report September 2021; and
2. note for information the responses provided to relevant agencies within Attachments A – D for this report.

CARRIED (7-0) ORD2021 11-036

Mark Hogan, Planning & Development Program Leader left the meeting at 8:40pm

14.03.02 Development Consent Authority Nominations December 2021

Moved: Mayor Barden
Seconded: Cr Harlan

THAT Council nominate the following persons to the Litchfield Division of the Development Consent Authority:

First Nomination: Cr Wright
Second Nomination: Mayor Barden
Third Nomination: Deputy Mayor Salter
Fourth Nomination: Cr Sharp

CARRIED (7-0) ORD2021 11-037

14.03.03 Pre-Need Burial Plot Sales

Moved: Deputy Mayor Salter
Seconded: Cr Harlan

THAT Council:

1. approve the practice of purchasing cemetery plots without the intention to use for interment with the proviso that an interment fee for the unused plot is paid;
2. request a review of CEM02 Interment Policy to include the provision of purchasing cemetery plots without the intention to use for interment and requirement for an interment fee on those plots; and
3. request staff to present the reviewed CEM02 Interment Policy to Council at its January 2022 meeting.

CARRIED (7-0) ORD2021 11-038

15. OTHER BUSINESS

Nil.

16. CONFIDENTIAL ITEMS

Nil.

17. CLOSE OF MEETING

The Chair closed the meeting at 8:48pm.

18. NEXT MEETING

Tuesday 16 November 2021.

MINUTES TO BE CONFIRMED

Tuesday 16 November 2021

.....
Mayor
Doug Barden

.....
Chief Executive Officer
Daniel Fletcher

5.02 - Business Arising from the Minutes

In Progress

Ongoing

Completed and to be removed

Resolution Number	Resolution	Meeting Date	Officer	Status
16/0203	<p>Signage, Roadside Vans and Events on Council Land</p> <p>THAT Council:</p> <ol style="list-style-type: none"> 1. Endorse a position that no approvals will be given for signage, roadside vans or events on council owned land until such time as appropriate policy, procedures and by-laws are developed. This excludes Council Reserves which are run under management by committee or under lease to an incorporated body; 2. Develop Council by-laws to cater for the regulation of a permit system for signage within the municipality and roadside vans and events on council owned land; 3. Develop policy and procedures to support any Council by-laws which are enacted; and 4. To commence work on these by-laws, policy and procedures in 2017/18 financial year. 	21/09/2016	EMCI	Report seeking approval of Drafting Instructions for Litchfield Municipality By-Laws scheduled for inclusion in December Ordinary Council Meeting agenda.

COVID-19 Response Plan

THAT Council:

1. delegate to the Chief Executive Officer, pursuant to Section 32 (d) of the Local Government Act 2008 (NT), and in light of Australian Government and Northern Territory Government requirements for the COVID-19 response, its powers and functions as set out in sections 47 and of the Local Government Act 2008 (NT) being the power to determine opening times of Council's offices and facilities and the opening times of the Libraries until such time as the Australian Government or Northern Territory Government have declared the emergency has ended; and
2. delegate to the Chief Executive Officer, pursuant to Section 32 of the Local Government Act 2008 (NT), and in light of Australian Government and Northern Territory Government requirements for the COVID-19 response, the authority to cancel or amend programs, service levels, budgeted council events and third party events held on council property under license, permit, or any other agreement until such time as the Australian Government or Northern Territory Government have declared the emergency has ended.

1920/183

19/03/2020

CEO

Ongoing - This resolution of council continues to be active until the Australian and/or Northern Territory Governments declare the COVID-19 pandemic has ended.

Road Opening – Kentish Road, Berry Springs

THAT Council:

1. proceed with the road opening process for Kentish Road, across sections 641 and 2398 Hundred of Cavenagh (655 and 579 Kentish Road, Berry Springs)
2. authorise all appropriate documents to be signed and common seal affixed by the Mayor and Chief Executive Officer for the opening of the road, as required.

2021/220

19/05/2021

GMIO

Complete

Palmerston and Litchfield Seniors Association – Request for Funding Agreement Extension

THAT Council:

1. acknowledge the contribution of the Palmerston and Litchfield Seniors Association in providing social opportunities and celebratory events for seniors living in the Litchfield Municipality;
2. continue to support the Palmerston and Litchfield Seniors Association with a three-year funding agreement 2021 - 2024, commencing with base level funding of \$7,500 per annum for 2021 – 2022 with any additional funding to be considered during the 2022/23 budget process; and
3. advise the Palmerston and Litchfield Seniors Association that consideration of its application for an increase in funding for the second and third years of the agreement will be based on the provision of a budget identifying the need for such an increase.

11-032

19/10/2021

EMCI

In Progress – Awaiting documentation

Local Government Association of the NT – NT Heritage Council Nomination

THAT Council advise the Local Government Association of the Northern Territory that Deputy Mayor Salter be nominated to represent LGANT on the Northern Territory Heritage Council.

11-033

19/10/2021

CEO

Complete
Nomination submitted to LGANT
20/10/2021

Development Consent Authority Nominations December 2021

THAT Council nominate the following persons to the Litchfield Division of the Development Consent Authority:

First Nomination: Cr Wright
Second Nomination: Mayor Barden
Third Nomination: Deputy Mayor Salter
Fourth Nomination: Cr Sharp

11-036

19/10/2021

GMIO

Complete
Letter submitted to MLA
Minister for Infrastructure,
Planning and Logistics on
22/10/2021

Pre-Need Burial Plot Sales

THAT Council:

11-037	<ol style="list-style-type: none">1. approve the practice of purchasing cemetery plots without the intention to use for interment with the proviso that an interment fee for the unused plot is paid;2. request a review of CEM02 Interment Policy to include the provision of purchasing cemetery plots without the intention to use for interment and requirement for an interment fee on those plots; and3. request staff to present the reviewed CEM02 Interment Policy to Council at its January 2022 meeting.	19/10/2021	GMIO	Ongoing Implemented the interment fee, CEM02 Interment Policy to be submitted to January Council.
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COUNCIL AGENDA

LITCHFIELD ORDINARY COUNCIL MEETING

Tuesday 16 November

6 **Petitions**

7 **Deputations and Presentations**

8 **Public Questions**

9 **Accepting or Declining Late Items**

10 **Notices of Motion**

11 **Mayors Report**

11.01 Mayors Report



COUNCIL REPORT

Agenda Item Number:	11.01
Report Title:	Mayor's Monthly Report
Author & Recommending Officer:	Doug Barden, Mayor
Meeting Date:	16/11/2021
Attachments:	Nil

Executive Summary

A summary of the Mayor's attendance at meetings and functions representing Council for the period 20 October 2021 to 15 November 2021.

Summary

Date	Event
26 October 2021	Risk Management and Audit Committee Meeting
27 October 2021	ABC Radio Darwin Grass Roots Program
	320 Arnhem Highway Community Workshop
1 November 2021	Australian of the Year Awards 2022
2-5 November 2021	LGANT General Meeting Alice Springs
8 November 2021	LWIB Network Committee Meeting
9 November 2021	Stage Two Consultation – Holtze to Elizabeth River Subregional land use Plan
	Strategic Discussion & Briefing Session
	Special Council Meeting
10 November 2021	City of Palmerston Australian Citizenship Ceremony
	Litchfield Council Australian Citizenship Ceremony On Line
	Mango Roads, NT Farmers
	Susan Kilgour, Community member

Date	Event
	Introduction – ICAC Commissioner
11 November 2021	Community Grants Committee Meeting
12 November 2021	Development Consent Authority meeting

Recommendation

THAT Council receives and notes the Mayor’s monthly report.



COUNCIL AGENDA

LITCHFIELD ORDINARY COUNCIL MEETING

Tuesday 16 November 2021

Council Appointed Representatives provide a verbal update on activities over the past month relating to the committee meetings to which the Councillor has been formally appointed.

12 Reports from Council Appointed Representatives

Date	Meeting	Representative
26/10/2021	Risk Management and Audit Committee Meeting	Cr Sidey Cr Salter
11/11/2021	Community Grants Committee Meeting	Mayor Barden Cr Harlan Cr Mackay Cr Sharp
15/11/2021	Litchfield Women in Business Network Committee Meeting	Cr Sharp

RECOMMENDATION

THAT Council note the verbal updates provided by the representatives.



COUNCIL AGENDA

LITCHFIELD ORDINARY COUNCIL MEETING

Tuesday 16 November 2021

13	Work Team Presentation
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13.01	Waste Management Presentation
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COUNCIL REPORT

Agenda Item Number:	13.01
Report Title:	Work Team Presentation – Waste Management
Author:	David Jan, Manager Operations and Environment
Recommending Officer:	Daniel Fletcher, Chief Executive Officer
Meeting Date:	19/10/2021
Attachments:	Nil

Executive Summary

The purpose of this report is to introduce Council to the various Work Teams within Council and receive a brief presentation.

Recommendation

THAT the Work Team Presentation – Waste Management be received and noted.

Background

Commencing in 2021, each work team within Council will provide a brief presentation introducing their staff members and the upcoming projects and priorities within their team.

The objectives of the presentation include:

1. To introduce the staff behind the work; and
2. Update council on the projects and priorities the team are working on to deliver the Municipal Plan.

Links with Strategic Plan

A Well-Run Council - Good Governance
A Well-Run Council - Modern Service Delivery

Legislative and Policy Implications

Nil.

Risks



N/A

Community Engagement

N/A



COUNCIL AGENDA

LITCHFIELD ORDINARY COUNCIL MEETING

Tuesday 16 November 2021

14 Officers Reports

14.01 Business Excellence

- 14.01.01 Finance Report
- 14.01.02 People, Performance and Governance Monthly Report
- 14.01.03 Risk Management Audit Committee Minutes
- 14.01.04 Pursual of Non-voters – Litchfield Council Election 2021

14.02 Council Leadership & Community Inclusion

- 14.02.01 Ordinary Council Meeting – December 2021
- 14.02.02 Acquittal of Northern Territory Library Special Purpose Grant 2018/19
- 14.02.03 Freds Pass Sport and Recreation Board Memorandum of Understanding and Funding Agreement
- 14.02.04 Progress Report - Reconciliation Action Plan
- 14.02.05 Freds Pass Rural Show Committee Funding Request
- 14.02.06 Howard Park and Knuckey Lagoon Recreation Reserves Committee Minutes
- 14.02.07 COR01 Media Policy
- 14.02.08 COR02 Community Engagement Policy

14.03 Infrastructure & Operations

- 14.03.01 Summary Planning and Development Report October 2021
- 14.03.02 Fleet, Plant and Equipment Asset Management Plan 2021-2031
- 14.03.03 Proposed Place Names – Subdivision 176 Bees Creek Road
- 14.03.04 Preparation of Business Case for Kerbside Collection and Associated Waste Operations



COUNCIL REPORT

Agenda Item Number:	14.01.01
Report Title:	Litchfield Council Finance Report – October 2021
Author:	Bianca Hart, Manager Corporate Services
Recommending Officer:	Arun Dias, General Manager Business Excellence
Meeting Date:	16/11/2021
Attachments:	A: Litchfield Council Finance Report – October 2021

Executive Summary

This report presents to Council the Litchfield Council Finance Report for the period ended 31 October 2021.

Operational Income reflects the full year of rates levied. The surplus position does not include depreciation and is expected to gradually decrease as expenses are incurred over the course of the year.

Rates outstanding have decreased compared to prior month with reminder notices being sent this month. Rates outstanding are expected to continue decreasing as Council implements initiatives as a result of the rates recovery information previously presented to Council.

Council's cash position continues to remain strong with a high performance of current ratio representing enough cash resources to settle any outstanding liabilities beyond the next twelve months.

Recommendation

THAT Council note the Litchfield Council Finance Report for the period ended 31 October 2021.

Background

Detailed financial information presented in the following pages.

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

This report complies with the Local Government Act, Council’s policies, and Australian Accounting Standards.

Financial Implications

Nil

Risks



Financial

Council’s current levels of revenue fall short to fund the required asset renewals expenditure. There are long term financial sustainability challenges in relation to the renewal and upgrade of existing assets including buildings, road, and irrigation infrastructure. Council continues to discuss avenues to increase investment in this area.

Community Engagement

Not applicable

**LITCHFIELD
COUNCIL**

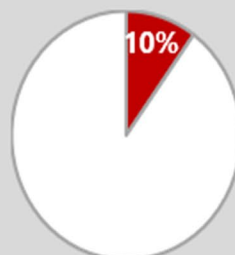


Finance Report

October 2021

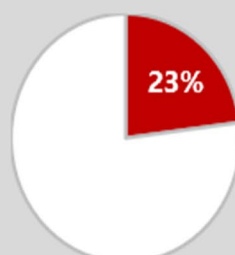
October 2021

DASHBOARD REPORTING



Asset Sustainability Ratio

Capital Expenditure
Actuals \$0.3m
Target – 30%



Rates Outstanding

\$3.7m Outstanding
Target– 18% (\$2.1m and less)

\$ 13m

OPERATIONAL REVENUE

\$17m Budget – 73% Target Achieved

\$ 0.0m

CAPITAL REVENUE

\$2.9m Budget

\$ 4.5m

OPERATIONAL EXPENSES

\$16m Budget – 20% Spent

\$ 0.8m

CAPITAL EXPENSES

\$6.9m Budget

\$ 8.6m

OPERATING SURPLUS

Budget \$1.4m

\$ (0.8)m

CAPITAL DEFECIT

Budget (\$3.6m)

RATIOS

10%	Asset Sustainability Target 30% and more
23%	Rates Outstanding Target less than 18%
54%	Own Source Revenue Target 86% and more
8.89	Current Ratio Target 1 and more
0	Debt Service Ratio Target less than 1

	Not Achieved
	Not Achieved
	Budgeted to be Achieved
	Achieved
	Achieved



Current Cash Investments

\$22.3m

0 of 18	Budgeted Capital Programs 2021/22
3 of 11	Carry Forward Programs from 2020/21
0 of 2	Additional Grant funded Project 2021/22
\$13m	Forecast Cash Reserves June 2022

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated Financial Statements, including Thorak Regional Cemetery operations are presented in a similar format as the full set of *End of Financial Year* Statements for greater transparency.

The statements do not include capital revenue, this is reported in the capital budget position table. Capital expenditure is capitalised as Infrastructure, Property, Plant & Equipment in the Balance Sheet upon completion of the projects.

CONSOLIDATED OPERATING STATEMENT

	2021/22 Budget	2021/22 YTD Actuals	% of Budget
REVENUE	\$	\$	
Rates	11,720,414	11,774,052	100%
Stat Charges	189,000	94,579	50%
User Charges	1,289,199	675,260	52%
Grants	3,608,882	417,667	12%
Inv Income	249,500	104,323	42%
Other Revenue	485,524	31,846	7%
TOTAL REVENUE	17,542,519	13,097,726	75%
EXPENSES	\$	\$	
Employee Costs	7,218,475	2,226,726	31%
Auditors Fees	50,000	1,918	4%
Bad Debts	900	-	0%
Elected Member	307,264	86,650	28%
Cemetery Operations	392,904	121,293	31%
Contractors	4,567,537	888,471	19%
Energy	193,800	35,036	18%
Insurance	311,500	354,330	114% ¹
Maintenance	453,810	193,734	43%
Legal Expenses	82,004	7,645	9%
Donations and Community Support	130,340	2,069	2%
Computer / IT Costs	346,250	145,774	42% ²
Parts, Accessories & Consumables	128,500	28,416	22%
Professional Fees	1,343,564	196,080	15%
Sundry	591,105	181,886	31%
TOTAL EXPENSES	16,117,953	4,470,027	28%
RESULT	1,424,566	8,627,699	606%

¹ Exceeds budget due to the inclusion of additional assets and overall increases in the industry.

² Includes unbudgeted cost of SQL license for upgraded server software (previously running software unlicensed)

CONSOLIDATED BALANCE SHEET

	30-Sept-21	31-Oct-21	Movement
CURRENT ASSETS			
Cash & Cash Equivalents	3,724,611	1,356,085	(2,368,526)
Trade and Other Receivables	9,431,556	7,899,995	(1,531,561)
Other Financial Assets	19,850,228	22,321,711	2,471,483
Other Current Assets	59,109	57,795	(1,313)
TOTAL CURRENT ASSETS	33,065,504	31,635,586	(1,429,918)
NON-CURRENT ASSETS			
Infrastructure, Property, Plant & Equipment	295,499,202	295,499,202	-
Other Non-Current Assets	14,858,234	15,363,688	505,453
TOTAL NON-CURRENT ASSETS	310,357,436	310,862,889	505,453
TOTAL ASSETS	343,422,940	342,498,476	(924,465)
CURRENT LIABILITIES			
Trade and Other Payables	2,873,506	2,912,228	38,722
Current Provisions	646,450	646,450	-
TOTAL CURRENT LIABILITIES	3,519,956	3,558,678	38,722
NON-CURRENT LIABILITIES			
Non-Current Provisions	366,057	366,057	-
TOTAL NON-CURRENT LIABILITIES	366,057	366,057	-
TOTAL LIABILITIES	3,886,013	3,924,735	38,722
NET ASSETS	339,536,927	338,573,741	(963,187)
EQUITY			
Accumulated Surplus	23,973,486	23,010,299	(963,188)
Asset Revaluation Reserve	294,301,835	294,301,835	-
Other Reserves	21,261,608	21,261,608	-
TOTAL EQUITY	339,536,927	338,573,741	(963,188)

OPERATING POSITION BY DEPARTMENT

Finance and Waste Management income represents a high % of total year income due to rates and waste charges being levied in full.

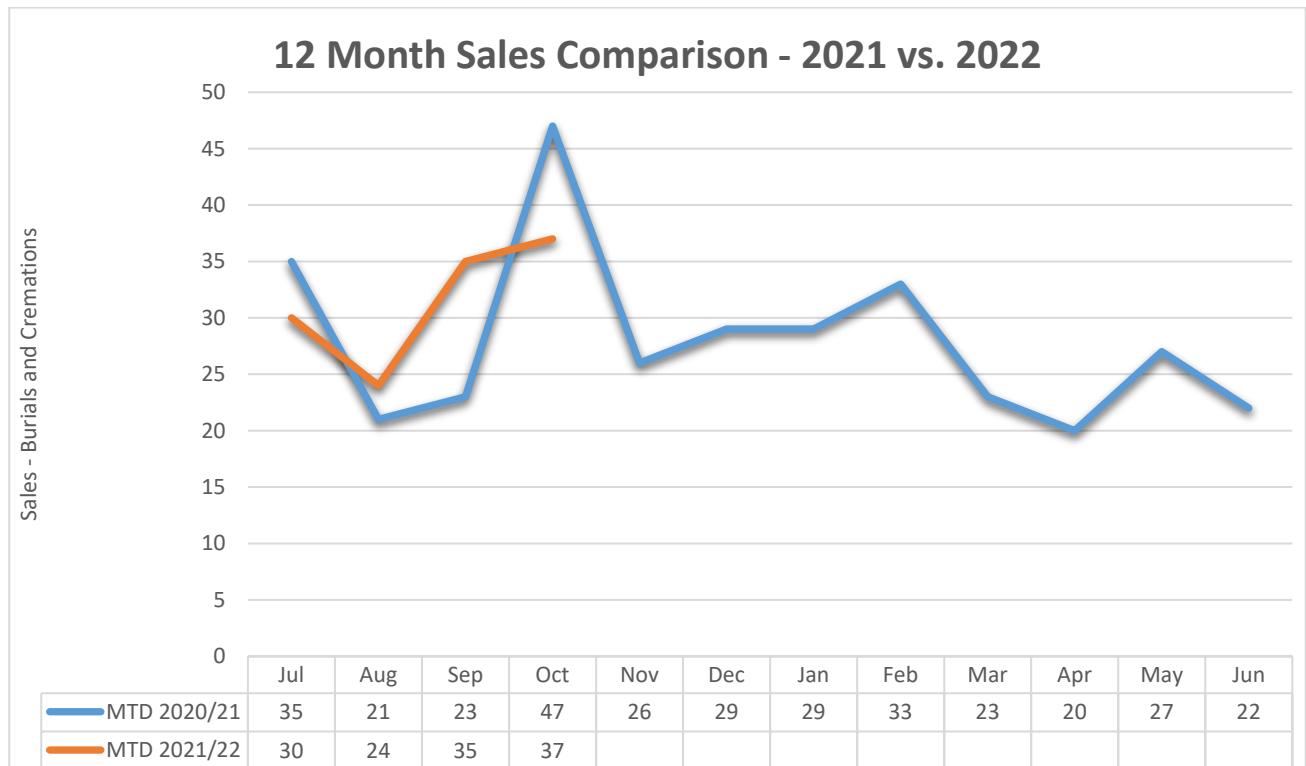
Finance expenses represent a high % of total year expenses due to the recognition of the annual insurance expense in full.

	2021/22 Budget	2021/22 YTD Actuals	% of Budget
REVENUE	\$	\$	
Council Leadership	-	-	0%
Corporate	-	-	0%
Information Services	-	-	0%
Finance & Customer Service	9,561,134	8,890,907	93%
Infrastructure & Assets	2,980,594	359,712	12%
Waste Management	3,263,000	3,128,852	96%
Community	88,000	37,026	42%
Community - Library	442,712	5,210	1%
Mobile Workforce	-	-	-
Regulatory Services	189,500	94,579	50%
Thorak Cemetery	1,017,579	581,441	57%
TOTAL REVENUE	17,542,519	13,097,726	75%
EXPENSES			
Council Leadership	1,327,210	378,751	29%
Corporate	687,753	180,832	26%
Information Services	690,239	193,785	28%
Finance & Customer Service	1,472,618	769,432	52%
Infrastructure & Assets	3,831,662	620,950	16%
Waste Management	3,246,634	862,594	27%
Community	1,539,546	575,747	37%
Community - Library	442,712	164,715	37%
Mobile Workforce	1,328,714	277,984	21%
Regulatory Services	591,802	153,241	26%
Thorak Cemetery	959,062	291,996	30%
TOTAL EXPENSES	16,117,952	4,470,027	28%
OPERATING RESULT	1,424,567	8,627,699	606%

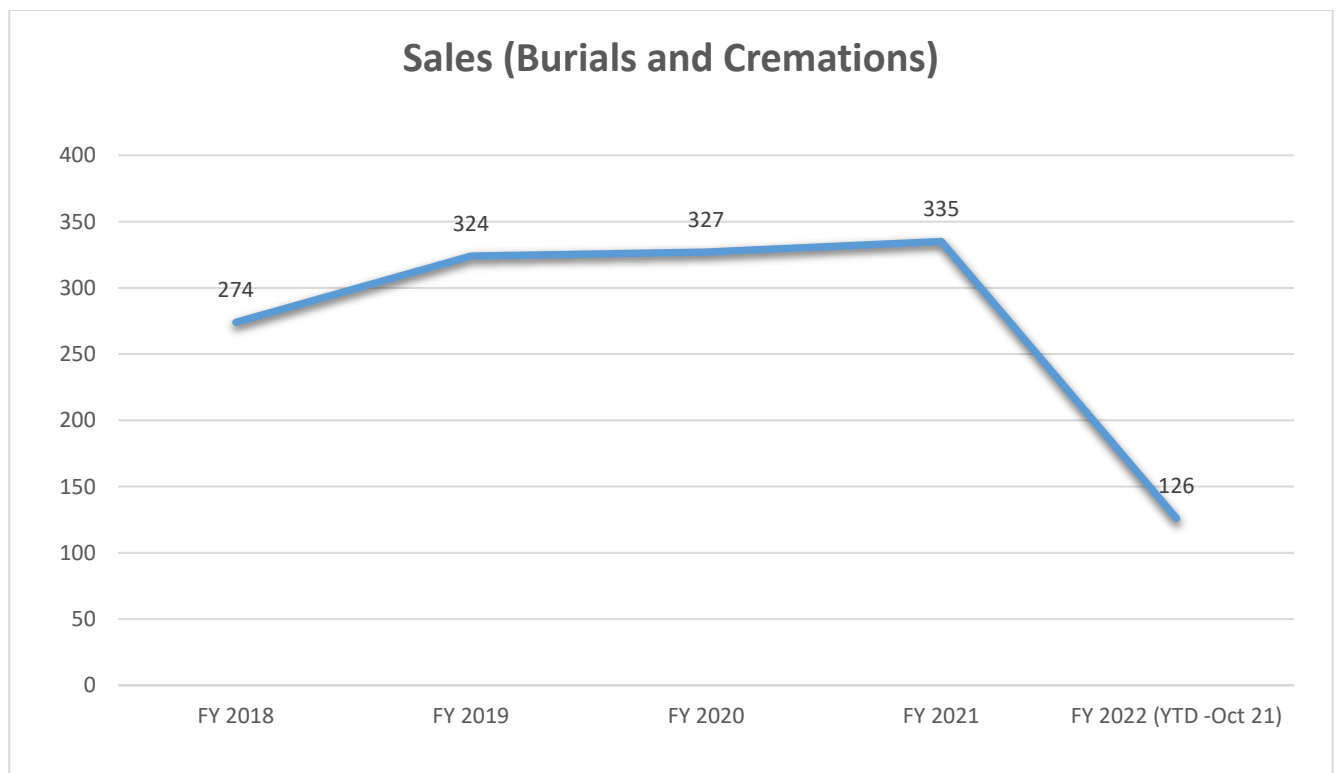
THORAK REGIONAL CEMETERY SALES

To date Thorak Regional Cemetery has completed 126 interments and cremations, the same as this time last year.

Below provides a comparison by month against last year:



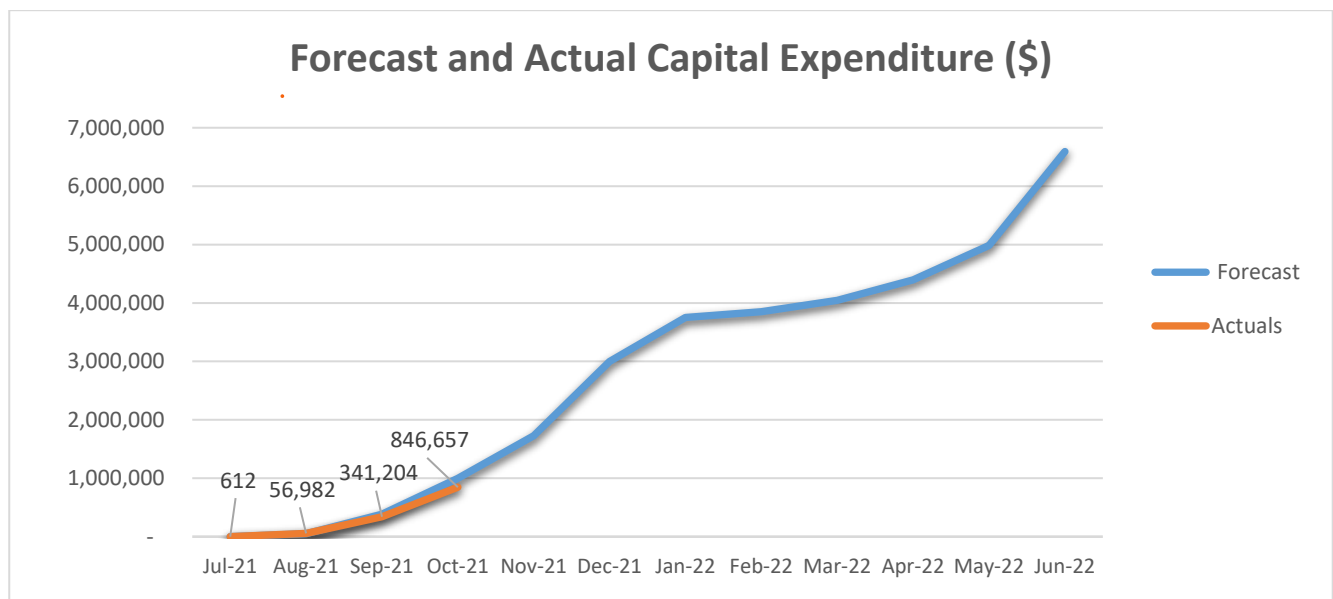
Below present a sales comparison over the last 5 years:



CAPITAL BUDGET POSITION

The table below compares capital revenue and expenditure to budget. Expenses will increase as projects progress.

	2021/22 Budget	2021/22 YTD Actuals	% of Budget
REVENUE			
Council Leadership	0	0	0%
Corporate	0	0	0%
Infrastructure & Assets	2,949,084	63,349	2%
Information Services	0	0	0%
Mobile Workforce	0	0	0%
Community	0	0	0%
Regulatory Services	0	0	0%
Waste Management	0	0	0%
Thorak Cemetery	0	0	0%
TOTAL REVENUE	2,949,084	63,349	2%
EXPENSES			
Infrastructure & Assets	6,446,070	651,851	10%
Information Services	0	0	0%
Mobile Workforce	0	0	0%
Community	32,000	28,885	90%
Regulatory Services	0	33,462	0%
Waste Management	35,000	128,486	367% ³
Thorak Cemetery	80,000	3,974	5%
TOTAL EXPENSES	6,593,070	846,657	13%
CAPITAL RESULT	(3,643,986)	(783,308)	21%



³ Relates to motor vehicle purchase. All motor vehicles budgeted under Infrastructure & Assets. Will split in Budget Review.

2021/2022 CAPITAL PROJECTS

Municipal Plan Program	Budget	Grant Fund		Year to Date Actuals	Budget Spent %	Scheduled Completion Date	Project Stage	On Time	On Budget	Status Update
		Source	Amount \$							
Buildings	1,220,000	LRCI - P2	1,010,870	250	0.02%	Jun-22	Design	Yes	Yes	
Drainage Renewal and Upgrades	537,500	R2R	296,845	310	0.06%	Jun-22	Design	Yes	Yes	
Vehicle Replacement	313,000			95,415	30%	Jun-22	Initiation	Yes	Yes	
Shared Pathway Program	20,000			0	0%	Jun-22	Initiation	Yes	Yes	
Pathway Renewal	180,000			0	0%	Jun-22	Design	Yes	Yes	
Street Lighting Replacement	30,000			11,625	39%	Jun-22	Initiation	Yes	Yes	
Gravel Surface Renewal	300,000			0	0%	Jun-22	Initiation	Yes	Yes	
Forward Planning & Design	350,000			0	0%	Jun-22	Initiation	Yes	Yes	
Pavement Renewal	760,285	R2R	760,285	6,007	0.79%	Dec-21	Construction	Yes	Yes	
Road Seal Renewal	760,285			0	0%	Jun-22	Design	Yes	Yes	
Gravel Road Sealing	500,000			0	0%	Jun-22	Initiation	No	Yes	Expect Project completion Nov 2022 with construction proposed for over the Dry Season.
Productive Roads - Mango Roads	300,000			79,890	27%	Jun-22	Construction	Yes	Yes	
Road Safety Upgrades	1,025,000	Blackspot	485,000	0	0%	Jun 22	Initiation	Yes	Yes	
		R2R	100,000							
Mira Square Development	150,000	LRCI - P2	150,000	0	0%	Jun-22	Design	Yes	Yes	
Thorak Cemetery Asset Renewal	80,000			0	0%	Jun-22	Not Started	Yes	Yes	
Waste Transfer Station Renewal	35,000			30,271	86%	Jun-22	Not Started	Yes	Yes	
Reserve Building Renewal	20,000			0	0%	Jun-22	Not Started	Yes	Yes	
Reserve Playground	12,000			0	0%	Jun-22	Not Started	Yes	Yes	
Subtotal	6,593,070		2,803,000	223,768	3.39%					

Carry Forward Projects from 2020/21

Municipal Plan Program	Budget	Grant Fund		Year to Date Actuals	Budget Spent %	Scheduled Completion Date	Project Stage	On Time	On Budget	Status Update
		Source	Amount \$							
Knuckeyes Lagoon Shed	20,000			20,000	100%	Dec-21	Closure	Yes	Yes	
Fred's Pass Reserve Infrastructure Upgrade	41,618	Freds Pass Sport and Rec Grant	41,618	8,885	21%	Oct-21	Closure	Yes	Yes	
Drainage Renewal and Upgrades	337,192			-	0%	Dec-21	Construction	Yes	Yes	
Pavement Renewal	434,015	R2R	434,015	434,015	100%	Dec-21	Construction	Yes	Yes	
Road Safety Upgrades	366,645	Blackspot	385,000	12,705	3%	Dec-21	Construction	Yes	Yes	
Road Seal Renewal	53,577			(8,908) ⁴	(17) %	Dec-21	Design	Yes	Yes	
Mira Square development	221,394	LRCI - P2	150,000	477	0.22%	Jan-22	Design	Yes	Yes	
Dog Pound Upgrade	31,901			33,462	105%	Sep-21	Closure	Yes	Yes	
Townend Road	121,203	LRCI - P1	121,203	5,232	4%	Sep-21	Construction	Yes	Yes	
Waste Vehicle Replacement	127,630			98,214	77%	Jun-22	Design	Yes	Yes	
Community Hall	150,000	LRCI- P2	150,000	14,834	10%	Jan-22	Design	Yes	Yes	
	1,905,175		1,281,836	618,915	32%					

Additional Grant funded Projects 2021/22

Municipal Plan Program	Budget	Grant Fund		Year to Date Actuals	Budget Spent %	Scheduled Completion Date	Project Stage	On Time	On Budget	Status Update
		Source	Amount \$							
Thorak and Humpty Doo Waste Solar Grant	39,591	LGPIF	39,591	3,974	10%	Dec -21	Construction	Yes	Yes	
Thorak Cemetery - Irrigation Grant	153,805	LGPIF	153,805	-	0%	Dec -21	Construction	Yes	Yes	
	193,396		193,396	3,974	2%					

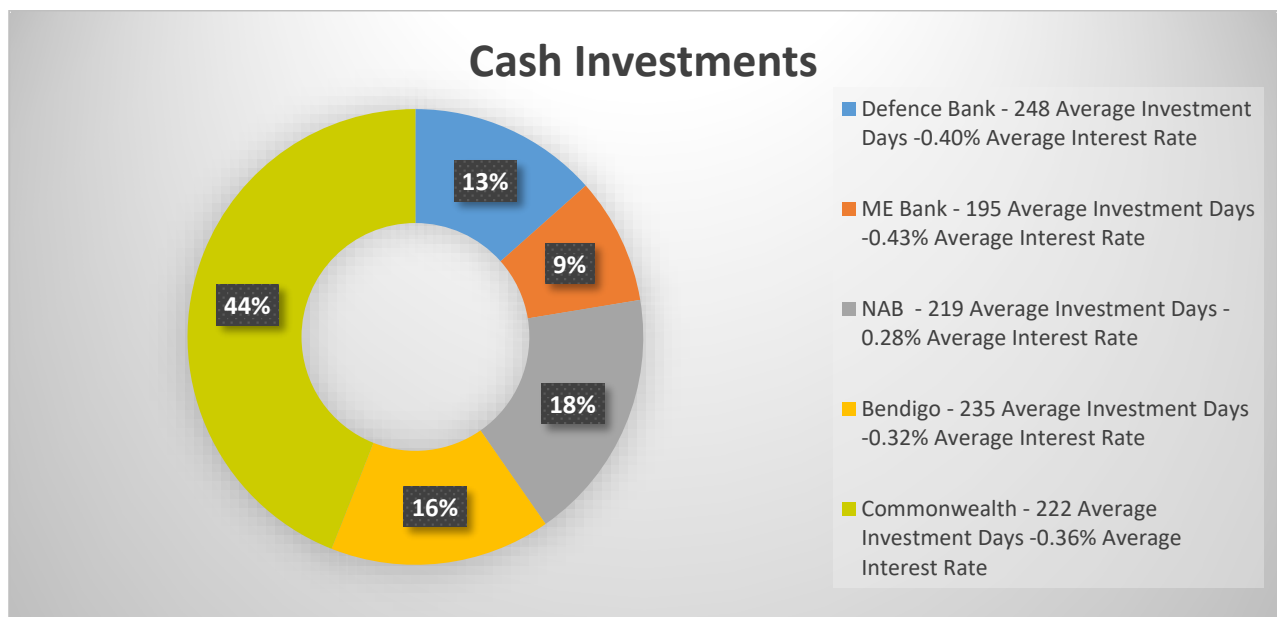
⁴ Reflects a credit processed in 2021/22 relating to an invoice accounted for in 2020/21

CASH ON HAND & INVESTMENTS

Investment Schedule

Council invests cash from its operational and business maxi accounts to ensure Council is receiving the best return on its cash holdings.

Date Invested	Invested Amount	Days Invested	Invested with	Interest rate	Due date in order of maturity	Expected return to Maturity Date
21/04/2021	\$ 1,000,000	196	ME Bank	0.45%	3/11/2021	\$2,416
13/05/2021	\$ 1,000,000	194	ME Bank	0.40%	23/11/2021	\$2,126
20/05/2021	\$ 1,500,000	201	Commonwealth	0.34%	7/12/2021	\$2,808
20/05/2021	\$ 1,500,000	215	Commonwealth	0.34%	21/12/2021	\$3,004
1/07/2021	\$ 1,000,000	203	Commonwealth	0.35%	20/01/2022	\$1,947
2/07/2021	\$ 1,000,000	206	Bendigo	0.35%	24/01/2022	\$1,975
29/06/2021	\$ 2,000,000	223	Defence Bank	0.40%	7/02/2022	\$4,888
14/07/2021	\$ 2,000,000	222	Commonwealth	0.39%	21/02/2022	\$4,744
5/08/2021	\$ 1,000,000	217	NAB	0.28%	10/03/2022	\$1,665
23/08/2021	\$ 1,000,000	224	NAB	0.27%	4/04/2022	\$1,657
7/09/2021	\$ 1,000,000	209	Commonwealth	0.35%	4/04/2022	\$2,004
30/09/2021	\$ 1,000,000	211	NAB	0.28%	29/04/2022	\$1,619
28/09/2021	\$ 1,000,000	224	NAB	0.29%	10/05/2022	\$1,780
30/09/2021	\$ 1,000,000	236	Commonwealth	0.39%	24/05/2022	\$2,522
8/10/2021	\$ 1,000,000	242	Bendigo	0.30%	7/06/2022	\$1,989
8/10/2021	\$ 1,500,000	256	Bendigo	0.30%	21/06/2022	\$3,156
8/10/2021	\$ 1,500,000	270	Commonwealth	0.38%	5/07/2022	\$4,216
19/10/2021	\$ 1,000,000	273	Defence Bank	0.40%	19/07/2022	\$2,992
16/08/2021	\$ 321,711	218	Commonwealth	0.36%	22/03/2022	\$692
TOTAL INVESTMENTS	22,321,711					\$48,200



FINANCIAL RESERVES

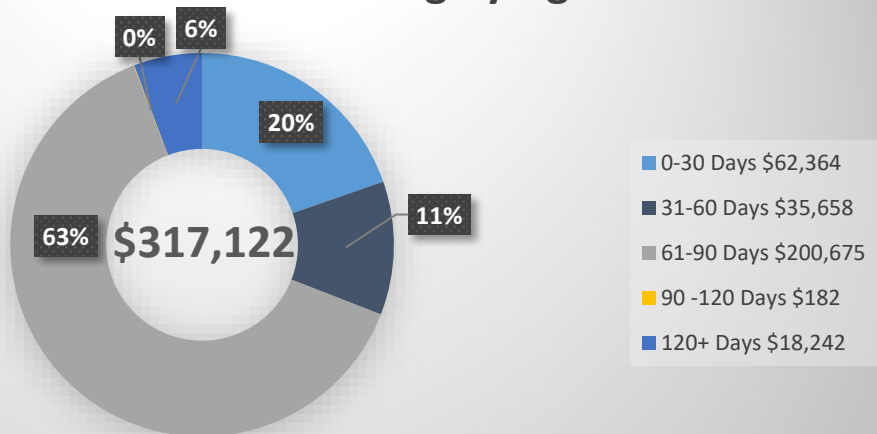
	2020/21 Actuals	2021/2022 Net Movement	2021/22 Budget
Externally Restricted			
Developer Contribution Reserve	256,908	(256,908)	0
Unexpended Grants / Contributions	0	0	0
Unexpended Capital Works	641,694	(641,694)	0
Total Externally Restricted Reserves	898,602	(898,602)	0
Internally Restricted			
Asset Reserve	12,154,043	(5,379,717)	6,774,326
Waste Management Reserve	4,840,323	(250,181)	4,590,142
Thorak Regional Cemetery Reserve	1,009,037	(326,006)	683,031
Election Reserve	100,000	(54,000)	46,000
Disaster Recovery Reserve	500,000	100,000	600,000
Strategic Initiatives Reserve	500,000	(100,000)	400,000
ICT Reserve	0	100,000	100,000
Total Internally Restricted Reserves	19,103,403	(5,909,904)	13,193,499
TOTAL RESERVES	20,002,005	(6,808,506)	13,193,499

DEBTORS

Of the total outstanding debtors, \$198,000 relates to recovery of the NT Pensioner concession. The department has advised they are experiencing technical issues with their payment module and will make payment as soon as it has been rectified.

There are five (5) debtors outstanding for more than 90 days. \$18,107 is the on charge of legal fees relating to regulatory services order. Council continues to seek payment however, a statutory charge has been placed over the property. Council officers are in discussion with the remaining four (4) debtors and expect they will be cleared within next month.

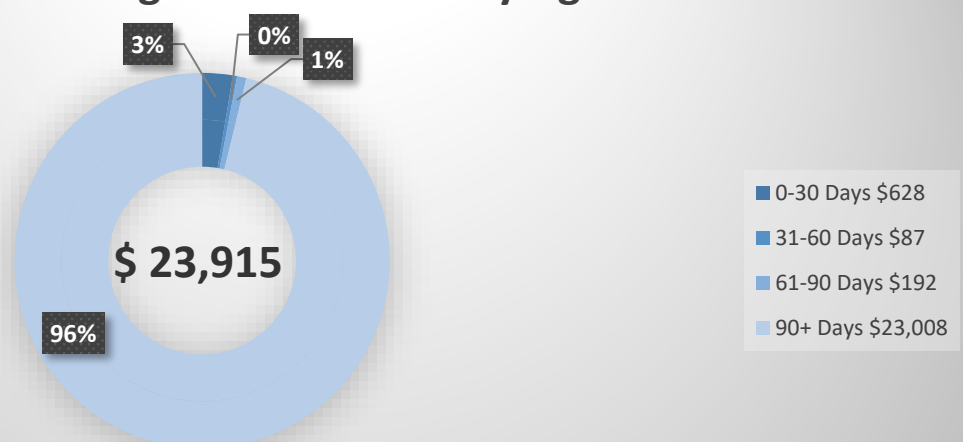
Sundry Debtors - Outstanding by Age



FINES AND INFRINGEMENTS

Council has eighty-one (81) infringements outstanding with a balance of \$23,915, a decrease of \$4,013 from September. Four (4) are newly issued, two (2) have been sent reminders and Seventy-five (75) are with the Fines Recovery Unit (FRU)⁵.

Infringements Debtor by Age



⁵ Infringements sent to FRU are expected to exceed 90 days due to the recovery processes

OUTSTANDING RATES

PRIOR YEAR RATES

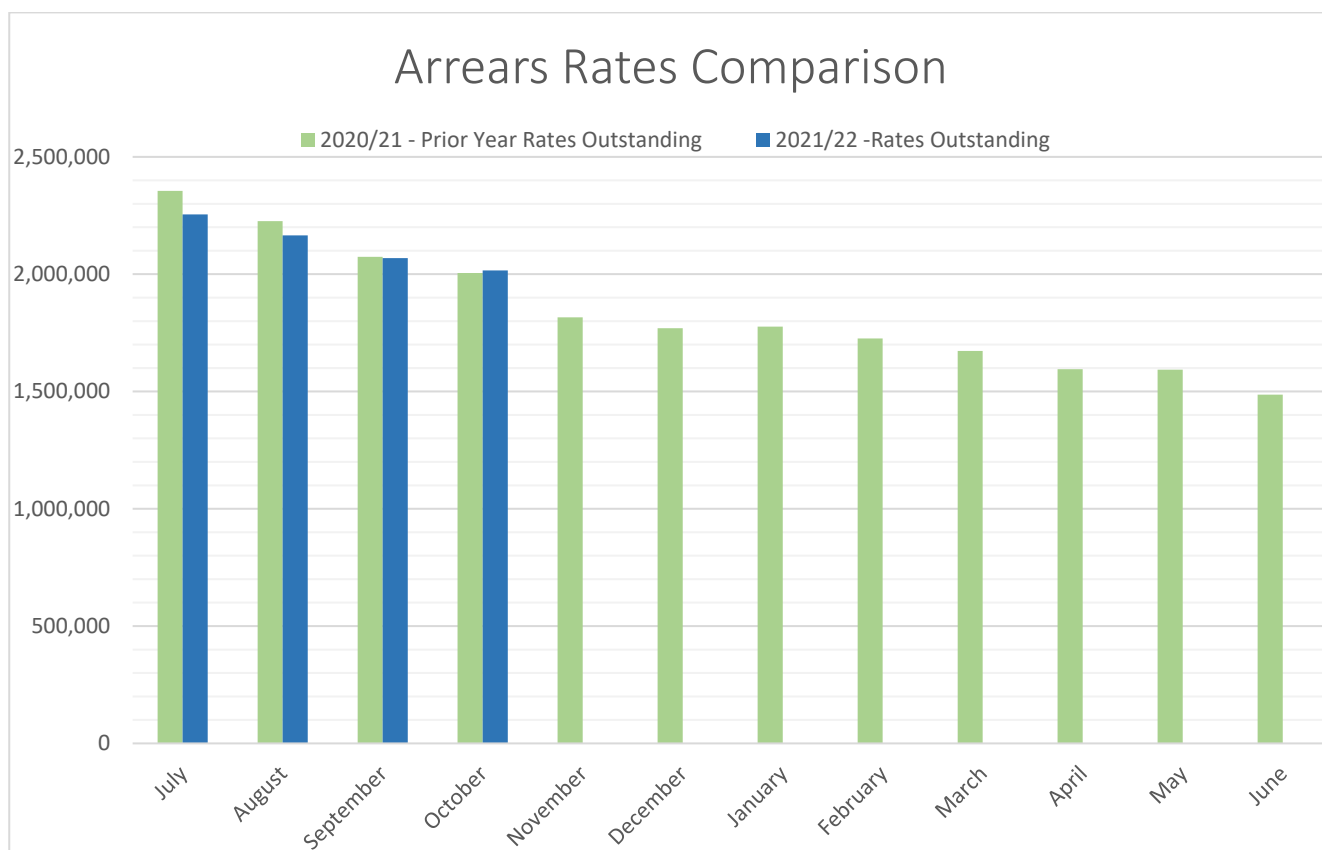
The below table illustrates the split of prior year outstanding rates. Prior year rates are currently \$2 million. This is an increase of 0.6% compared to the same time last year.

Council is prioritising rates collection and will be taking steps to ensure to promote awareness among ratepayers on obligations and implications of unpaid Rates and Charges. This is done with view to ensure rates collectible remains at acceptable levels and as Council fulfills its Municipal Plan targets to remain financially sustainable.

The table below shows the balance of prior year rate as at the beginning of the financial year, last month and the current month.

	Beginning 2021/22 Prior Years Outstanding (\$)	Previous Month (September 2021) (\$)	Current Month (October 2021) (\$)
COMMERCIAL	65,444	64,519	66,102
GAS PLANT	5	5	581
MINING	123,382	124,990	126,991
NON-RATEABLE GENERAL	9,463	9,565	9,626
NON-RATEABLE WASTE	31,157	30,790	31,012
PASTORAL	0	0	0
RURAL RESIDENTIAL	1,792,710	1,603,574	1,539,752
URBAN RESIDENTIAL	232,730	235,337	241,917
TOTAL	2,254,891	2,068,780	2,015,981
Arrears LESS Legal	2,030,874	1,792,688	1,708,831

The graph below compares prior year rates between 2020/21 and 2021/22 financial years.



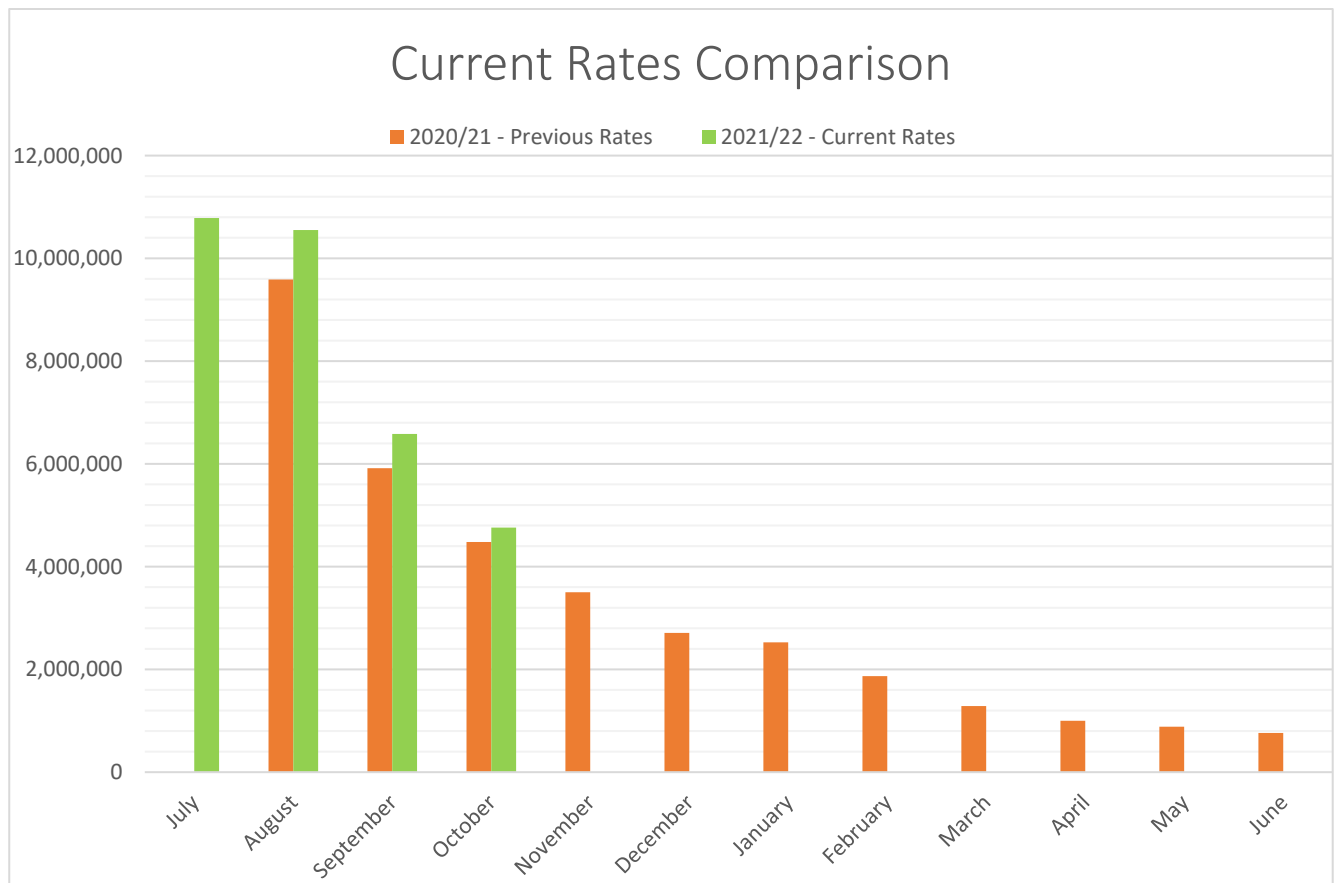
CURRENT YEAR RATES

The below table illustrates the split of current year outstanding rates. Current year rates levied total \$11.7m. Note: The below amount takes into account \$297,183 of accounts that are in credit. Therefore, rates in arrears totals \$5,055,809.

The table below shows the movement in current year rates compared to last month.

	Previous Month (September 2021) (\$)	Current Month (October 2021) (\$)	Variance (\$)	Due Dates
Instalment 1	1,637,083	725,844	(911,239)	30-Sep-21
Instalment 2	2,406,337	1,922,896	(483,441)	30-Nov-21
Instalment 3	2,539,328	2,109,886	(429,442)	28-Feb-22
TOTAL	6,582,748	4,758,626	(1,824,122)	

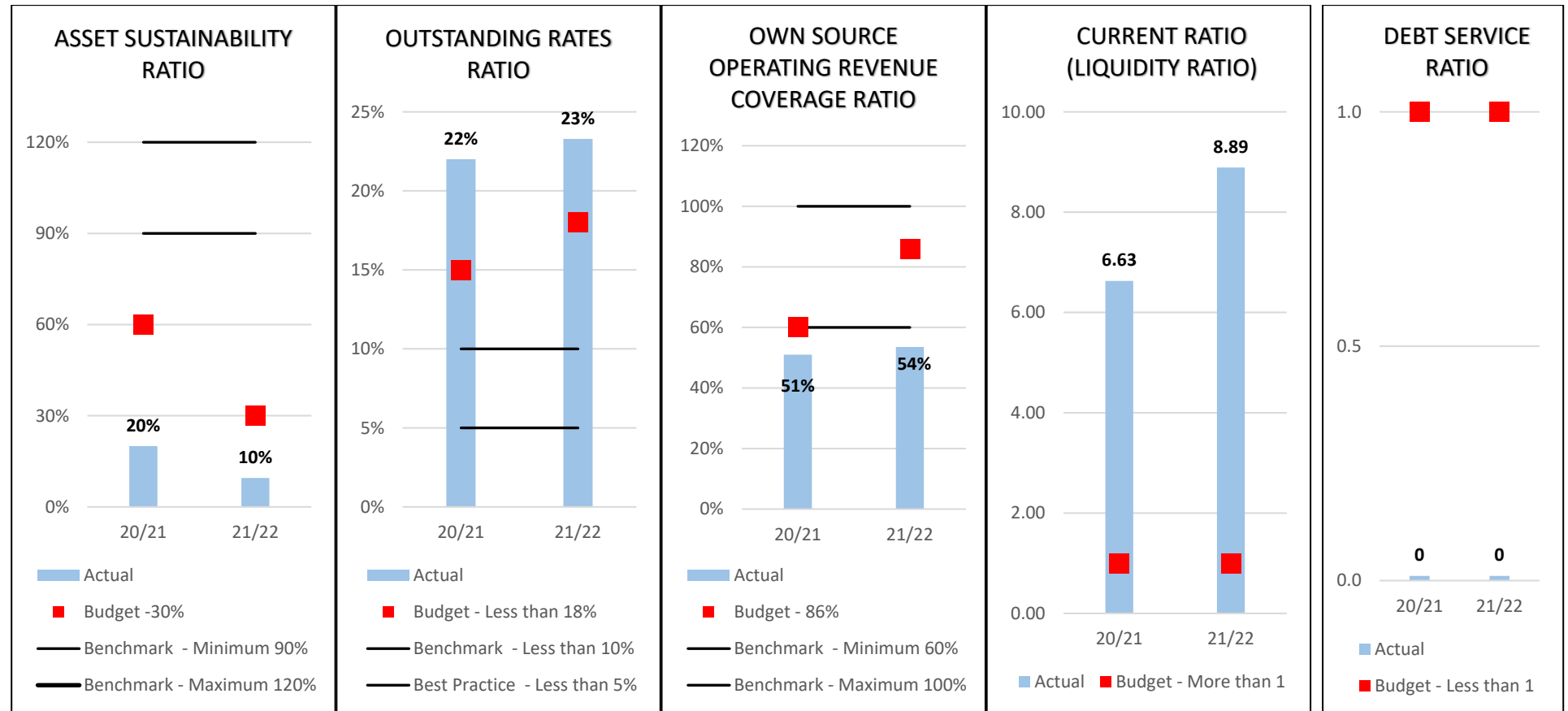
The graph below compares current year rates between 2020/21 and 2021/22 financial years.



Note: 2020/21 rates were not levied until August 2020 therefore there is no comparative bar for July.

FINANCE KEY PERFORMANCE INDICATORS (KPI)

Council's 2021/22 Municipal Plan includes the following financial KPIs.



Indicates if Council is replacing or renewing existing assets in a timely manner as the assets are used up.	Identifies if Council is collecting rates and charges in a timely manner and the effectiveness of debt recovery efforts.	This ratio measures the degree to which Council relies on external funding to cover its operational expenses.	Identifies Council's ability to meet its short-term financial commitments as and when they fall due.	Indicates Council's ability to repay loans.
-------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------	---------------------------------------------

KPI	Explanation
Asset Sustainability Ratio	<p>A ratio of 90% indicates Council is replacing assets in a timely manner as assets reach their end of useful life. A ratio of less than 90% over the long-term indicates a build-up Infrastructure Backlog*.</p> <p>Council's Asset Sustainability ratio for the month of October is 10% as most capital projects are in 'planning' and 'project initiation' stages. While this % will increase as expenses are incurred, it is expected that Council will continue to fail to meet the local government benchmark of 90%. Council's asset base is currently valued at \$518 million. The current Long-term Financial Plan shows insufficient levels of revenue to fund long-term infrastructure renewal needs of the Council. The risk exists that Council's current levels of revenue will not be sustainable in the long-term to address a growing back-log of infrastructure replacement needs in future.</p>
Outstanding Rates Ratio	<p>In the absence of a local government industry standard benchmark, a benchmark of 5% for City Councils and 10% for Regional Councils is considered best practice and is used by many jurisdictions across Australia.</p> <p>Council's Outstanding Rates Ratio of 23% sits higher than Municipal Plan target of 18%. A growing outstanding rates ratio increases liquidity risk and places burden on Council's existing resources. Council will need to manage the risk by prioritising rates debt recovery to see a downward trend in the rates outstanding ratio gradually.</p>
Own Source Revenue Ratio	<p>This ratio indicates Council's ability to pay for its operational expenditure through its own revenue sources**. The higher the ratio the more self-reliant a Council. In other words, the higher the ratio the less Council must rely on external grants to provide services to the community. A ratio of 40% to 60% is considered as a basic level, between 60% to 90% is considered intermediate level and more than 90% is considered advanced level.</p> <p>Council's Own Source Operating Revenue Coverage ratio of 54% is just short of the Municipal Plan target of 60% and is expected to decrease as further funding is received throughout the year.</p>
Current Ratio (Liquidity Ratio)	<p>A ratio of greater than 1 is required to provide assurance that Council has enough funds to pay its short-term financial commitments.</p> <p>Council's Current Ratio of 8.89 sits favourably against the Municipal Plan target and benchmark of 1. This ratio indicates Council is well placed to fulfill its short-term liabilities as and when they fall due.</p>
Debt Service Ratio	<p>Council has no debt and therefore fully meets the Municipal Plan Target of less than 1.</p>

*Infrastructure back-log refers to capital replacement (renewal) cost not spent to bring assets to a satisfactory condition.

** Own Source Revenue refers to revenue raising capacity excluding all external grants, that is, through rates, charges, user fees, interest income, profit on disposal of assets etc.



COUNCIL REPORT

Agenda Item Number:	14.01.02
Report Title:	People, Performance and Governance Monthly Report – October 2021
Author	Danny Milincic, Manager People and Performance
Recommending Officer:	Arun Dias, General Manager Business Excellence
Meeting Date:	16/11/2021
Attachments:	A: People, Performance and Governance Monthly Report – October 2021

Executive Summary

This report provides Council with key staffing information, workplace health and safety information and proposed major policy updates and reviews.

This report provides a monthly update to ensure that both staffing and budget measures are in accordance with the Council approved staffing plan and budget. The metrics provided in this report track activity and report full time equivalent (FTE) numbers, retention and Work Health and Safety performance.

Recommendation

THAT Council note the People, Performance and Governance Monthly Report for October 2021.

Background

The Litchfield Council strongly values our people, and good governance. This report being presented monthly will ensure that important information is presented to understand any trends occurring and for the organisation to understand the factors influencing staff, their safety and policy initiatives.

The commencement of the *Local Government Act 2019* has brought about many changes to Council policies. Provided below is an ongoing update as Council continues to transition to the new legislation.

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

Nil

Risks



Key risks Council is facing which are being mitigated through various measures and initiatives as stated below:

Health & Safety

Public liability issues as a result safety breaches by residents at Council's Waste Transfer Stations. Risk registers, standard operating procedures, and implementation of safety measures (e.g., education, signage etc) are used to reduce hazard during tasks and operations.

Service Delivery

Due to our location, ongoing risks exist around the attraction of qualified staff into critical roles and retention of critical staff needed to deliver Council's business plans. Risks are being managed through the implementation of innovative HR practices to attract and retain talent.

Financial Implications

Nil

Community Engagement

Not applicable.

PEOPLE AND PERFORMANCE MONTHLY REPORT

October 2021

People

Internal Appointments

Position	Department	Commenced	Permanent/Temporary
WTS Plant Operator	Operations & Environment	18 October 2021	Permanent

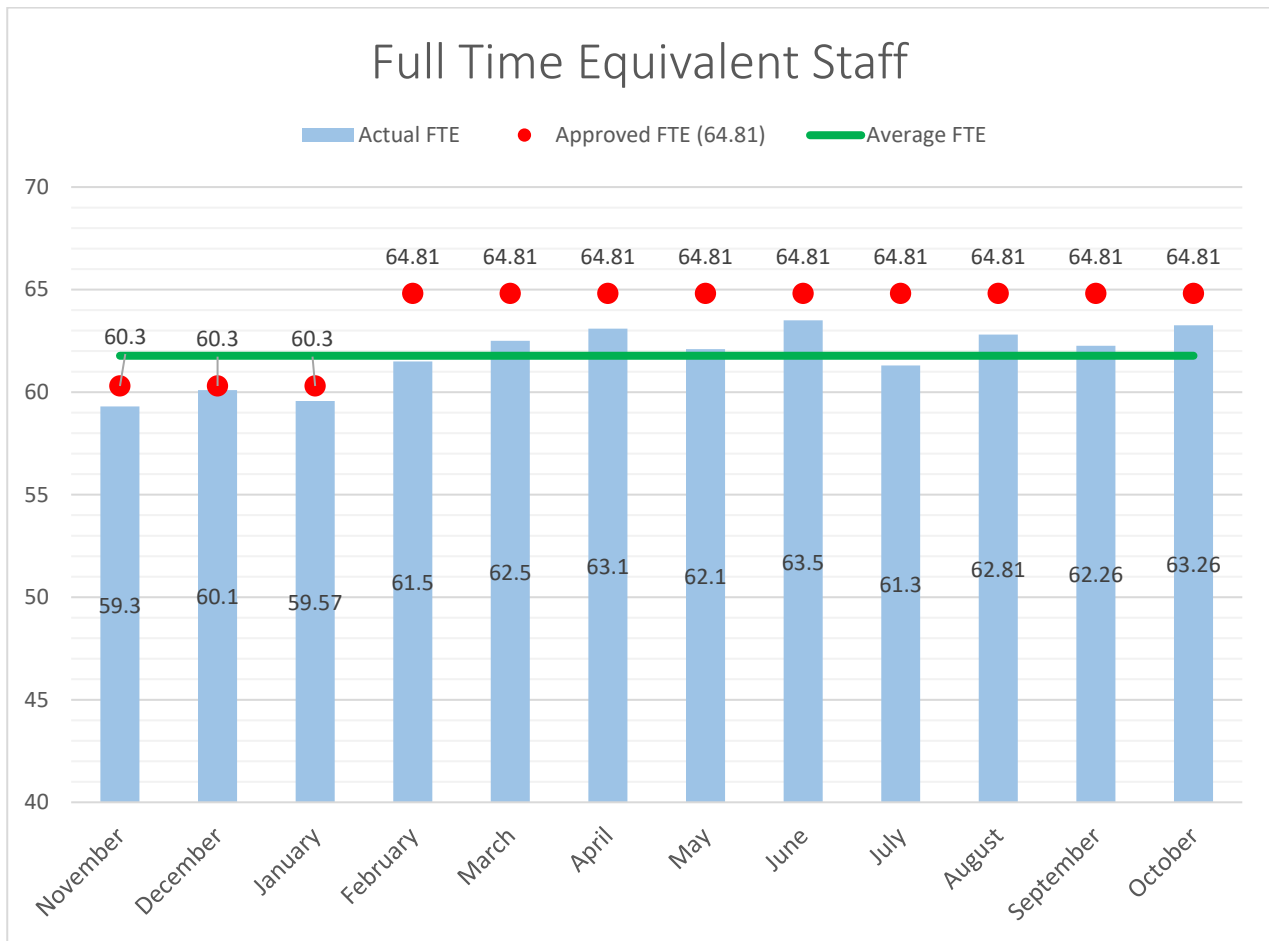
External Appointments

Position	Department	Commenced	Permanent/Temporary
Finance & Customer Service Program Leader	Corporate Services	9 October 2021	Permanent

Employment Separation

Position	Department	Commenced	Permanent/Temporary
Community Development Program Leader	Community Inclusion	15 February 2021	Fixed-term Contract
WTS Plant Operator	Operations & Environment	4 October 2021	Casual

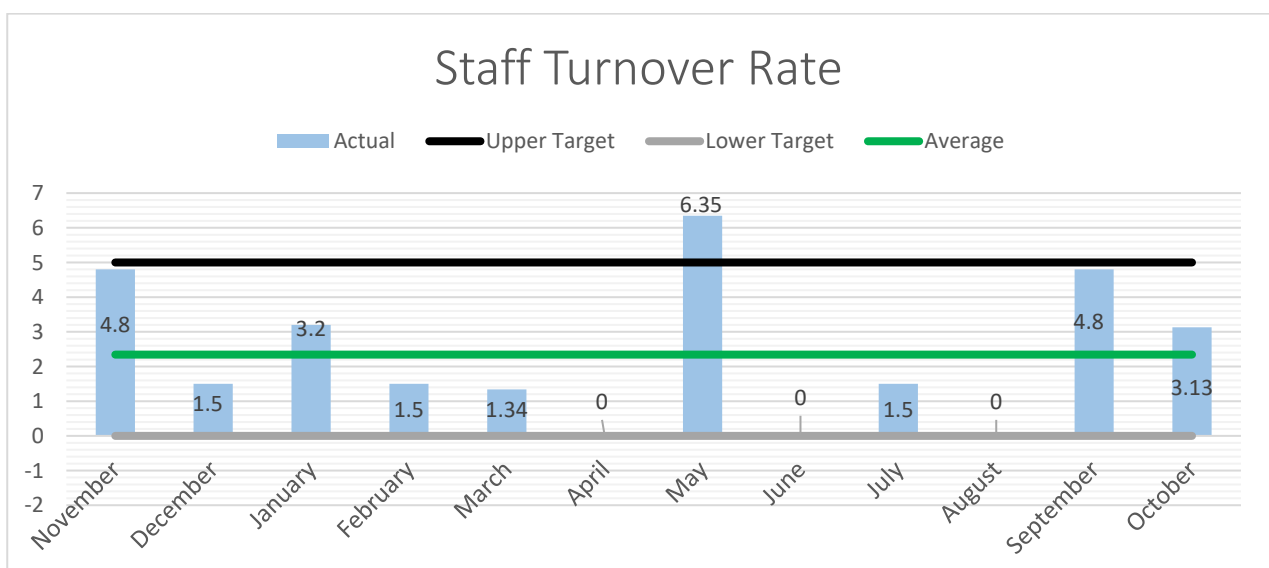
	Approved	Actual	Difference
Full Time Equivalent	49	48	-1
Part-time	5.81	6.26	-0.45
Contract	10	9	-1
Total	64.81	63.26	-1.55



Turnover Rate:

The number of staff leaving council employment during the reporting period.

(# staff leaving divided by the total number of people employed multiplied by 100)



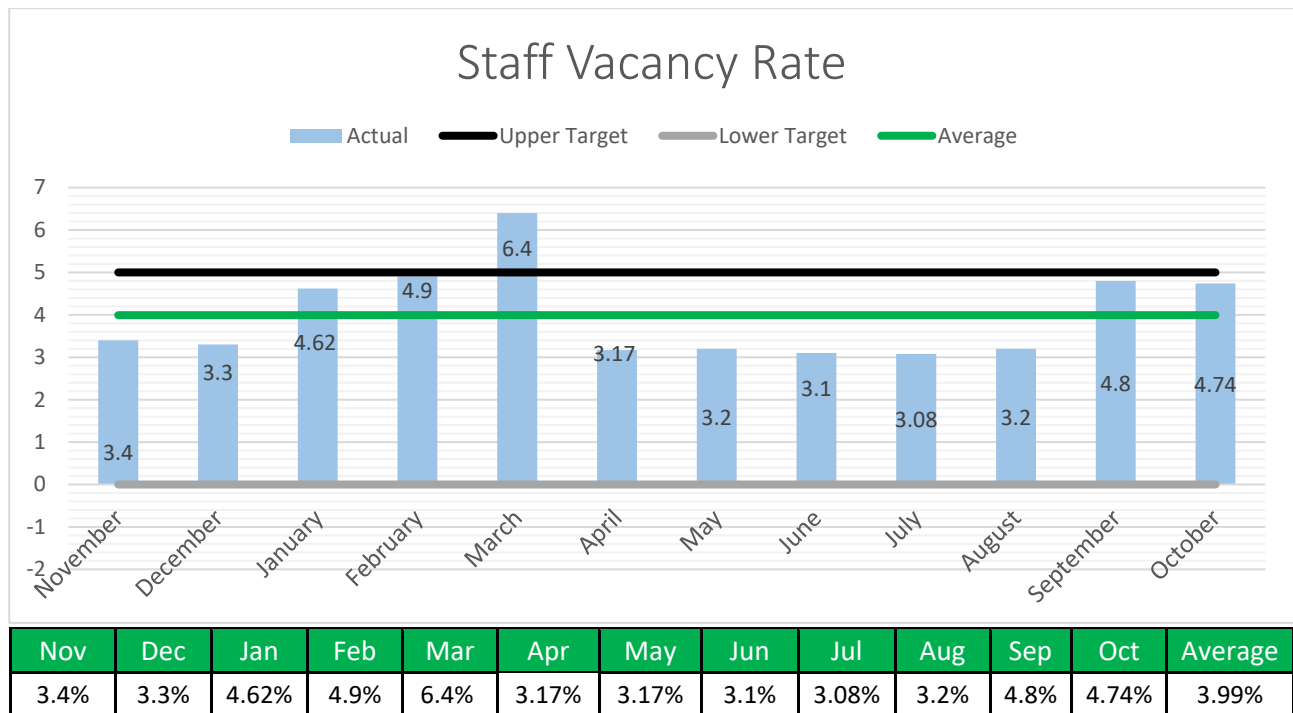
Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Average
4.8%	1.5%	3.2%	1.5%	1.54%	0%	6.35%	0%	1.5%	0%	4.8%	3.13%	2.34%

Target Average: Between 0% - 5%

Staff Vacancy Rate:

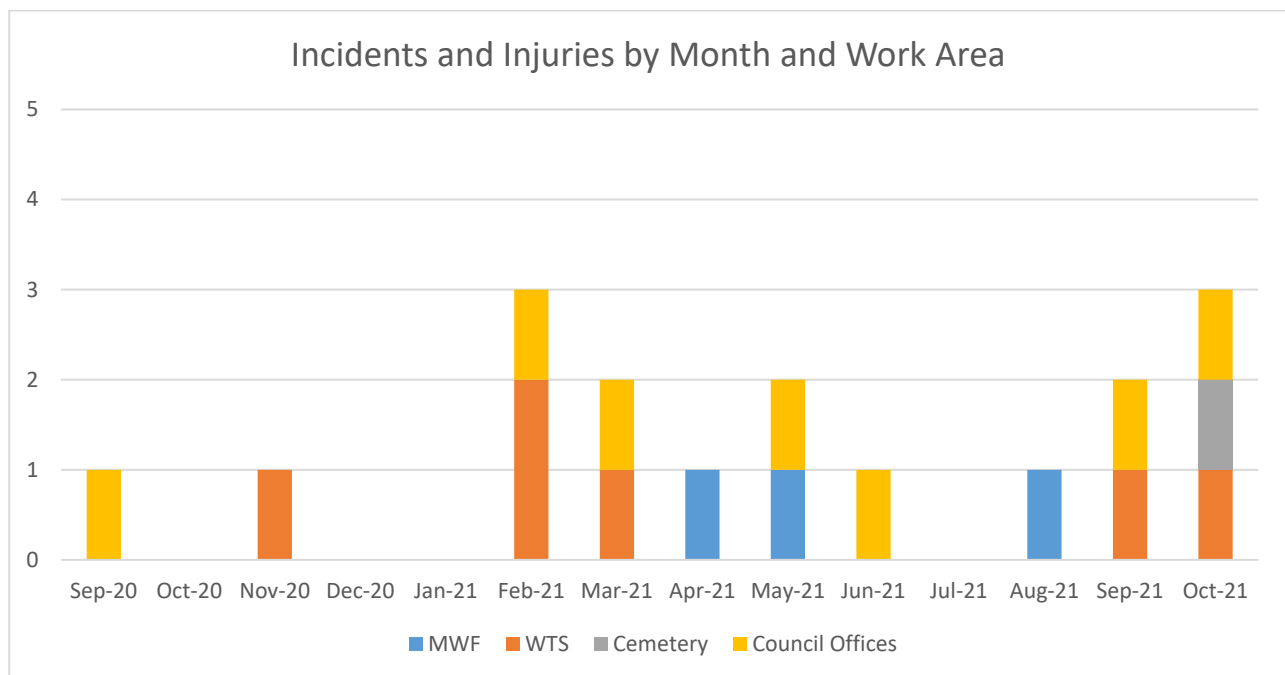
The number of vacant positions during the reporting period.

(Vacant positions, divided by total FTE, multiplied by 100)



Target: 0% - 5%

Workplace Health and Safety



Three incidents were reported in October 2021. The incidents related to a dog bite to a Council Ranger, a needle stick injury to a cleaning contractor at Thorak Cemetery and a snake bite to a labour hire Plant Operator at Howard Springs Waste Transfer Station. There were no reportable incident requirements to NT Work Safe for Council however the responsible employers did contact NT Work Safe and Council assisted.

During October, Council promoted the theme **think safe. work safe. be safe** to raise awareness of the importance of work health and safety at our workplace. National Safe Work Month gives us an opportunity to think about how we promote WHS here at Council and what we can do to ensure all of us are safe and health at work. Staff were assigned WHS modules through our training portal to make sure their knowledge is up to date.

Governance

The *Local Government Act 2019* (Act) commenced on 1 July 2021. The following regulations, guidelines and general instructions have been made under the Act:

Regulations	Local Government (Electoral) Regulations 2021
	Local Government (General) Regulations 2021
Guidelines	Guideline 1: Local Authorities
	Guideline 2: Appointing a CEO
	Guideline 3: Borrowing
	Guideline 4: Assets
	Guideline 2A: Council member allowances (Guideline was re-made under section 71(2) of <i>Local Government Act 2008</i> and is continued in force as a transitional arrangement in accordance with section 353 of the <i>Local Government Act 2019</i> .)
General Instructions	General Instruction 1: Procurement

Over the next year (2021/2022), Council will continue to transition to the new Act. Below is the schedule of existing policies due for review over the next 2021/2022 period. These policies will be presented to Council in due course.

Policy	2021-2022			
	Q1	Q2	Q3	Q4
COR01 Media Policy				
FIN11 Related Party Disclosure				
FIN16 Public benefit concessions for commercial ratepayers				
INF01 Asset Management				
EM06 Conflict of Interest				
COR02 Community Engagement				
FIN13 Borrowing				
FIN14 Investment				
CEM01 Floral and Ornamental Tributes				
INF03 Roadside Memorials and Roadside Monuments				
GOV03 Privacy				
INF05 Sealing of Roads				

INF02 Driveway Crossovers				
CEM02 Right of Interment				
GOV12 Land Acquisition Policy				



COUNCIL REPORT

Agenda Item Number:	14.01.03
Report Title:	Risk Management Audit Committee Minutes – 26 October 2021
Author:	Rebecca Taylor, Policy and Governance Program Leader
Recommending Officer:	Arun Dias, General Manager Business Excellence
Meeting Date:	16/11/2021
Attachments:	A: RMAC Unconfirmed Minutes 26 October 2021

Executive Summary

The purpose of this report is to provide an update to Council on the Risk Management Audit Committee (RMAC).

Recommendation

THAT Council receive and note the Risk Management Audit Committee unconfirmed minutes from 26 October 2021 meeting, as at Attachment A.

Background

In accordance with Section 101(4) of the Local Government Act 2019, the minutes for RMAC meetings are required to be tabled at the following Council meeting.

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

Local Government Act 2019.

Risks



Nil identified.

Community Engagement

Not applicable.



RISK MANAGEMENT AND AUDIT COMMITTEE MINUTES

LITCHFIELD COUNCIL COMMITTEE MEETING

Minutes of Meeting

held in the Council Chambers, Litchfield
on Tuesday 26 October 2021 at 10.00am

Present	Garry Lambert Mark Sidey (Councillor) Mathew Salter (Councillor) Mayor Doug Barden	Chairperson Committee Member Committee Member Observer
Staff	Daniel Fletcher Leon Kruger Arun Dias Rebecca Taylor Bianca Hart	Chief Executive Officer General Manager Infrastructure and Operations General Manager Business Excellence Policy & Governance Program Leader Manager Corporate Services
In Attendance	Luke Snowdon/Cy Balmes	KPMG – Auditor

1. OPENING OF THE MEETING

The Chairperson, Garry Lambert opened the Meeting at 10.00am.

2. APOLOGIES AND LEAVE OF ABSENCE

Nil.

3. DISCLOSURES OF INTEREST

No disclosures of interest were declared.

4. CONFIRMATION OF MINUTES

Moved: Chairperson Garry Lambert

Seconded: Cr Sidey

THAT the full minutes of the Risk Management and Audit Committee Meeting held Tuesday 3 August 2021, 4 pages, be confirmed.

CARRIED

5. BUSINESS ARISING FROM THE MINUTES

Moved: Cr Salter

Seconded: Cr Sidey

THAT Council receives and notes the Action Sheet.

CARRIED

6. PRESENTATIONS

Nil.

7. ACCEPTING OR DECLINING LATE ITEMS

Nil.

8. OFFICERS REPORTS

8.1 Annual Financial Statements 2020-21

Moved: Cr Salter

Seconded: Cr Sidey

THAT the Risk Management and Audit Committee confirms:

1. the draft Litchfield Council 2020-21 Financial Statements are suitable for certification by the Chief Executive Officer for inclusion in the Annual Report and presented to Council;
2. following an amendment to move proceeds on sale of assets from sundry income to sundry expenses, the draft Thorak Regional Cemetery Financial Statements 2020-21 are suitable for certification by the Chief Executive Officer for inclusion in the Annual Report and presented to Council; and
3. the Summary of Financials are suitable for inclusion in the Annual Report and presented to Council.

CARRIED

8.2 Records Management Audit

Moved: Cr Sidey
Seconded: Cr Salter

THAT RMAC receives and notes the Records Management Audit Report.

CARRIED

8.3 Meeting Schedule and Workplan

Moved: Cr Salter
Seconded: Cr Sidey

THAT RMAC endorse the meeting schedule and workplan for 2022.

CARRIED

8.4 PACMan Committee Minutes

Moved: Cr Sidey
Seconded: Cr Salter

THAT RMAC accept and note the minutes from the PACMan Committee meeting dated 26 August 2021 and 23 September 2021.

CARRIED

9. OTHER BUSINESS

9.1 Long Term Financial Model

Management provided clarification between the Long Term Financial Model and the Long-Term Financial Plan. Management also provided an update on the expression of interests received from potential providers.

10. CONFIDENTIAL ITEMS

Nil.

11. CLOSE OF MEETING

The Chair closed the meeting at 11:16am.

MINUTES TO BE CONFIRMED

Wednesday 23 February 2022

.....
Chairperson
Garry Lambert

unconfirmed



COUNCIL REPORT

Agenda Item Number:	14.01.04
Report Title:	Pursual of Non-voters – Litchfield Council Election 2021
Author:	Rebecca Taylor, Policy and Governance Program Leader
Recommending Officer:	Arun Dias, General Manager Business Excellence
Meeting Date:	16/11/2021
Attachments:	Nil

Executive Summary

This report presents information on pursuing non-voters from the 2021 General Election.

Recommendation

THAT Council:

1. note the Pursual of Non-voters – Litchfield Council Election 2021 report,
2. notify the Northern Territory Electoral Commission that Litchfield Council does not intend to pursue non-voters.

Background

The Northern Territory Electoral Commission (NTEC) has provided Litchfield Council with non-voter information relating to the 2021 General Elections and requests confirmation by Friday 19 November 2021, on Council's position on whether to pursue non-voters.

It is proposed that Council does not pursue non-voters based on the costs associated to Council and the low probability of success. Presented below is information and statistics relating to the 2021 and 2017 elections.

2021 General Elections

A total of 12,374 electors are enrolled to vote in the Litchfield municipality area. Of the total electors enrolled, a total of 8,468 (68%) voted. This is a 1% increase compared to the 2017 General Elections.

A total of 3,906 eligible electors were identified as failing to vote. This data was revised down to 2,465 following removal of electors who provided a reasonable excuse during the election or who applied for a postal vote/rejected postal vote.

The NTEC has provided a cost of \$11,126.71 to pursue the 2,465 potential non-voters.

2017 General Elections

Following the 2017 General Elections, Council decided to pursue the 3,603 non-voters. The table below provides a breakdown of the infringement process outcome.

Infringements issued	3,603
Return to senders or valid excuse	2,178 (61%)
Infringements paid (at \$50)	478 (13%)
Outstanding infringement notices	947 (26%)

Council decided not to pursue the outstanding infringement notices as the probability of success would be low given undeliverable addresses and the voters who are no longer located in the NT. The net surplus was marginal after deducting NTEC's cost to pursue non-voters.

In accordance with the new Local Government Act 2019, the prescribed amount for an infringement notice for failing to vote has decreased from \$50 to \$25.

Based on the outcomes above and information provided, to cover costs of pursuing non-voters and achieve a break-even position, Council would need to ensure at least 18% (443 infringements) of infringement notices are paid.

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

It is a legal requirement for anyone over the age of 18 years, to be on the electoral role and to vote in local government elections.

Risks



Financial

There is a low risk that Council will be at a loss should it choose to pursue non-voters, however the loss is expected to be of a minimal amount.

Community

There is the potential, should Council not pursue non-voters, that current and future voter numbers may decline with the knowledge that there are no repercussions for failing to vote.

Community Engagement

Not applicable.



COUNCIL REPORT

Agenda Item Number:	14.02.01
Report Title:	Ordinary Council Meeting – December 2021
Author & Recommending Officer:	Daniel Fletcher, Chief Executive Officer
Meeting Date:	16/11/2021
Attachments:	Nil

Executive Summary

This report regarding the Ordinary Council Meeting for December 2021 is presented to Council to reschedule the date from the 7 December 2021 to the 14 December 2021.

Recommendation

THAT Council reschedule the Ordinary Council Meeting in December from Tuesday 7 December 2021 to Tuesday 14 December 2021 at 6:00pm in the Council Chambers.

Background

This matter is being presented to Council due to an error in the resolution of the Special Council Meeting held 15 September 2021. The following resolution was made:

15.04 Nature and Timing of Council Meetings

Moved: Cr Mackay

Seconded: Cr Harlan

THAT Council:

1. pursuant to Section 90(3)(b) of the Local Government Act, commencing in October 2021 will hold its ordinary monthly meeting on the third Tuesday each month, commencing at 6.00pm;
2. approve the ordinary council meeting for the month of September 2021, be held on Wednesday 29th September 2021, commencing at 6:30pm; and
3. brings forward the December 2021 meeting to the second Tuesday, 7 December 2021, to avoid holding a meeting in the week leading up to Christmas.

CARRIED (6-0) SCM2021 11-006

The intent was to bring forward the December 2021 meeting a week to avoid holding a meeting a week leading up to Christmas. The resolution is incorrect in that the second Tuesday is the 14 December 2021 and not the 7 December 2021.

Strategic Discussion and Briefing Session will be held on Tuesday 7 December 2021.

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

Section 90(3)(b) Local Government Act – Nature and Timing of Council Meetings

Risks



Community Engagement

Changes will be communicated to the community.



COUNCIL REPORT

Agenda Item Number:	14.02.02
Report Title:	Acquittal of Northern Territory Library Special Purpose Grant 2018/19
Author:	Diana Leeder, Executive Manager Community Inclusion
Recommending Officer:	Daniel Fletcher, Chief Executive Officer
Meeting Date:	16/11/2021
Attachments:	A : Acquittal Library Shared Services Framework

Executive Summary

Council received a Special Purpose Grant from the NT Government Department Housing and Community Development on 23 May 2019. A requirement of this grant is that it is partially acquitted as of 30 June each year. This is a requirement to acquit the grant in order to be eligible for future Special Purpose Grants.

Recommendation

THAT Council:

1. receive and note the Special Purpose Grant Acquittal report; and
2. approve the acquittal of the Special Purpose Grant for the Library Shared Services Framework to the value of \$25,000 as of 30 June 2021.

Background

On 23 May 2019 Council received a Special Purpose Grant to the value of \$25,000.00 for a six-month project to plan and design shared library services across the Litchfield and City of Palmerston Councils. Council received an extension of time for this project to December 2021.

This project commenced in the third quarter of the 2020/2021 year in partnership with the City of Palmerston and was completed in October 2021.

The outcome of the project was identification of three options for the continued operation of the Litchfield Council public library service and development of a shared services model that is transferable to the delivery of other local government services, with the aim of improving the quality of services delivered, ensuring long-term sustainability and capability of the service at a cost-efficient level.

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

There are no legislative or policy implications

Risks



Governance

Special Purpose Grants provided by the Department of Chief Minister and Cabinet require funding to be fully expended within two years of receipt of funding. Any acquittal provided to the Department must be approved by the Council. Failure to acquit the grant within the required timeframe may hinder Council's eligibility for future funding.

Community Engagement

Nil required.

TAX INVOICE

Atria Group

atriagroup.com.au
Level 16, 19 Smith St Darwin NT 0800
ABN 98 629 295 772

INVOICE # 100621

DATE June 10, 2021

acc: 2134.

21628

TO

Litchfield Council
7 Bees Creek Road Freds Pass NT 0822
PO Box 446 Humpty Doo NT 0836
Phone: (08) 8983 0600 Fax: (08) 8983 1165
Email: council@litchfield.nt.gov.au

FOR

Litchfield Public Library Service Provision
Business Case

ORDER NUMBER. # 21479

CONTRACT #

Description	Amount	GST	Total
Litchfield Public Library Service Provision Business Case 50% total payment for first three deliverables outlined below Key Deliverables <ul style="list-style-type: none"> 21/04/21: Project Commencement= 10% 21/05/21: Completion of background and analysis report for consultation= 20% 10/06/21: Completion of consultation summary= 20% 	22415	2241.50	\$24656.50
Total			\$24656.50

All cheques made payable to Atria Group.
Payment is due within 30 days.

Note: Updated bank details below as of November 2018

BSB: 034-001 ACC No: 569106

GOODS & SERVICES RECEIVED	
DATE	17/6/2021
APPROVED FOR PAYMENT	

THANK YOU FOR YOUR BUSINESS!

Litchfield Council	
Processed/Examined	Certified Correct
Sign: 	Sign: 
Date: 17/6/2021	Date: 17/6/21
Amount	\$24,656.50

TAX INVOICE

Atria Group

Acc: 2134

atriagroup.com.au
Level 16, 19 Smith St Darwin NT 0800
ABN 98 629 295 772

INVOICE # 200921
DATE September 20, 2021

TO

Litchfield Council
7 Bees Creek Road Freds Pass NT 0822
PO Box 446 Humpty Doo NT 0836
Phone: (08) 8983 0600 Fax: (08) 8983 1165
Email: council@litchfield.nt.gov.au

PO: 21628

FOR

Litchfield Public Library Service Provision
Business Case

ORDER NUMBER. # 21479
CONTRACT #


Description	Amount	GST	Total
Litchfield Public Library Service Provision Business Case 40% total payment for delivery of contract milestone 4: • Completion of draft of report for consultation Note: 10% payment remaining upon delivery of contract milestone 5: Final Report	17932	1793.20	\$19725.20
Total			\$19725.20

All cheques made payable to Atria Group.

Payment is due within 30 days.

Note: Updated bank details below as of November 2018

BSB: 034-001 ACC No: 569106

GOODS & SERVICES RECEIVED	
DATE	20/09/2021
APPROVED FOR PAYMENT	

THANK YOU FOR YOUR BUSINESS!

Litchfield Council	
Processed/Examined	Certified Correct
Sign: 	Sign: 
Date: 30/9/2021	Date: 20/10/2021
Amount	\$ 19,725.20



TAX INVOICE

Atria Group

atriagroup.com.au
Level 16, 19 Smith St Darwin NT 0800
ABN 98 629 295 772

ACC 2134

PO 21628

INVOICE # 071021
DATE October 7, 2021

TO
Litchfield Council
7 Bees Creek Road Freds Pass NT 0822
PO Box 446 Humpty Doo NT 0836
Phone: (08) 8983 0600 Fax: (08) 8983 1165
Email: council@litchfield.nt.gov.au

FOR
Litchfield Public Library Service Provision
Business Case

ORDER NUMBER. # 21479
CONTRACT #

Description	Amount	GST	Total
Litchfield Public Library Service Provision Business Case 10% total payment for delivery of contract milestone 5: <ul style="list-style-type: none">Final Report <i>Note: According to our records, this contract is now completed.</i>	4483	448.30	\$4931.30
Total			\$4931.30

GOODS & SERVICES RECEIVED	
DATE	11/10/2021
APPROVED FOR PAYMENT	

All cheques made payable to Atria Group.
Payment is due within 30 days.

Note: Updated bank details below as of November 2018

BSB: 034-001 ACC No: 569106

THANK YOU FOR YOUR BUSINESS!

Litchfield Council	
Processed/Examined	Certified Correct
Sign:	Sign:
Date: 14/10/2021	Date:
Amount	\$ 4931.30



FY 2021/22

FY 2021/22						Without GST				
Ledger Account	Date	Posting Year	Posting Period	Type	Reference	Actual	Committed	Account Name	Transaction Description	
03750.0300.0405	14/10/2021	2022	4	201	71021	4,483.00	-4483	ATRIA GROUP PTY LTD	>>P/O 21628 Litchfield Public Library Business Ca	
03750.0300.0405	22/09/2021	2022	3	201	200921	17,932.00	-17932	ATRIA GROUP PTY LTD	<<EFT 1225.2134-01 >>P/O 21628 Litchfield Public L	
						22,415.00				

FY 2020/21

Ledger Account	Date	Posting Year	Posting Period	Type	Reference	Actual	Committed	Account Name	Transaction Description
03750.0300.0405	11/06/2021	2021	12	201	100621	22,415.00	-22415	ATRIA GROUP PTY LTD	<<EFT 1182.2134-01 >>P/O 21628 Litchfield Public L
						<u>22,415.00</u>			



COUNCIL REPORT

Agenda Item Number:	14.02.03
Report Title:	Freds Pass Sport and Recreation Board Memorandum of Understanding and Funding Agreement
Author:	Diana Leeder, Executive Manager Community Inclusion
Recommending Officer:	Daniel Fletcher, Chief Executive Officer
Meeting Date:	16/11/2021
Attachments:	A: Freds Pass Sport and Recreation Reserve Management Board Governance Review recommendations B: Freds Pass Sport and Recreation Reserve Management Board Key Performance Indicators

Executive Summary

The purpose of this report is to update Councillors on negotiations for a multi-year funding agreement with the Freds Pass Sport and Recreation Reserve (FPSRR) Management Board.

Recommendation

THAT Council receive and note the report.

Background

At the September 2019 Council meeting, Council resolved to undertake a review of the governance arrangements between FPSRR Management Board (the Board) and Council and to establish a reference group to develop recommendations arising from that review. The recommendations from the reference group (Attachment A) were presented to Council in August 2020 and adopted.

The Board developed actions, timelines and deliverables to address the recommendations from the reference group. The Board has been committed to implementing these recommendations and many have been completed however a significant recommendation not yet completed is:

That the FPSRR Constitution is changed to enable one Litchfield Council Officer to sit on the Board in a non-voting role. This is intended to be an advisory role which brings specialist knowledge about community facilities and planning and act as a liaison to Council. It is at the discretion of the Council CEO which Officer carries out this role.

To avoid the need to amend the constitution, in discussion between the then Director Community and Corporate Services and the Chair of the Board in 2020, it was agreed to establish a

memorandum of understanding (MoU) to set the function of the observer role at Board meetings as an officer nominated by the CEO.

The time frame for development of the MoU was December 2020 and a draft document was presented to the Board at its December meeting, to allow time for discussion by Board members so that any requested amendments could be considered prior to the document being finalised. Signing the MoU would allow development of a funding agreement between Council and the FPSRR Management Board.

For a number of reasons the Board declined to enter into the MoU without first receiving a funding agreement satisfactory to the Board. The Board did not provide a submission to Council in time for consideration in Council's 2021/22 budget deliberations and the annual funding was increased by 1%, in line with that of all other reserves, to \$570,845 operational and \$81,400 repairs and maintenance. As with the smaller reserves the first quarter funding was released on the understanding that the Board would enter into a 12 month funding agreement with agreed key performance indicators (KPIs) to be met during the year, including the development of a three year funding agreement in line with the remaining period of the Board's lease of the FPSRR.

A one year funding agreement was proposed to the Board however it was not signed prior to the release date for the second quarter funds. This payment was withheld until the funding agreement was signed. The agreement has now been signed and the second quarter funds released.

The Board will prepare a report on its current and proposed actions and budget to make a presentation to Council in January or February 2022.

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

Council provides funding to all reserve management committees to assist with management and maintenance of the reserves for the benefit of the community.

Risks



Financial and Governance

The signing of a twelve month funding agreement and acceptance of the associated KPIs reduces the risk factors for Council to insignificant.

Community Engagement

Nil

FPSRR Board governance review recommendations

Recommendation 1: That the FPSRR Board formally adopt the AICD Governance Principles to enable good governance practices.

Recommendation 2: That the AICD Governance Principles are used to guide an annual internal FPSRR Board Review as part of a commitment to continuous quality improvement. It is recommended that this is conducted just before the AGM each year.

Recommendation 3: That the AICD Governance Principles form the framework of a Funding Agreement between FPSRR and Council. This is intended to clarify the relationship between Council and the FPSRR Board.

Recommendation 4: That there is a requirement for all FPSRR Board members to complete mandatory relevant annual training for all Board members after the AGM. This training can be in any of the skills sets required to be effective FPSRR Board member. This could include but is not limited to governance training, understanding financial reports, strategic planning, facilities planning, private sector fundraising.

Recommendation 5: That FPSRR Board consult with User Group members to consider the payment of Director Fees for their professionally trained involvement on the FPSRR Board. The intent of the payment is to acknowledge the time and skills a Director brings to their role on the Board. This change will require a change to the FPSRR Constitution.

Recommendation 6: That FPSRR Board, as part of the already planned internal FPSRR organisational structure review, identify the organisational structure, including roles and position descriptions, which will fully support the optimal operation of the Board. The purpose of this is to enable the Board to focus on strategic issues and decision making and not be pulled down into operational matters which are the domain of management.

Recommendation 7: That a repairs and maintenance matrix be developed and implemented, to enable clear communication to User Groups about their maintenance responsibilities versus those of the FPSRR Board.

Recommendation 8: That FPSRR Board, as part of the FPSRR organisational structure review, consider how best to build the capacity of the FPSRR Board with a view to securing more grant funding, private sector fundraising and philanthropic funds. It is intended that they continue to collaborate with Council in the preparation and submission of large grant applications.

Recommendation 9: That User Groups are required to develop Concept / Master Plans for their facilities to align with the overall FPSRR Master Plan. These User Group Concept Plans must be approved by the FPSRR Board, who will then forward to Council for endorsement.

Recommendation 10: That a Funding Agreement is developed between FPSRR and Litchfield Council including, but not limited to the following components:

- Five (5) year funding term
- Identification of Key Performance Indicators (KPI's)
- One of the KPI's is the requirements for all Board members to attend annual relevant Board training

- An annual report including an in-person presentation to Council on the plans for the following year. The intent of the presentation to Council is to ensure that Councillors are aware of the Board's plans and can provide strategic advice as required.

Recommendation 11: That the FPSRR Constitution is changed to enable one Litchfield Council Officer to sit on the Board in a non-voting role. This is intended to be an advisory role which brings specialist knowledge about community facilities and planning and act as a liaison to Council. It is at the discretion of the Council CEO which Officer carries out this role.

Appendix 3: KPI Reporting

The Association agrees to the following KPIs and reporting:

1. Provision of a quarterly progress report on the implementation of the AICD Governance Principles for Not For Profit Boards due:
 - a. 30 September 2021
 - b. 31 December 2021
 - c. 31 March 2022
 - d. 30 June 2022
2. Development of Board training matrix of training to be undertaken by Board members within 3 months of the 2021 AGM and provided to Council by 28 February 2022.
3. Consult with user-groups on whether Board members should be remunerated and provide recommendations for Council consideration by 31 January 2021.
4. Development of a repairs and maintenance matrix to be included in all user group licences and provided to Council by 31 March 2022.
5. Establish a process for development and review of user group concept/master plans, based on a template to be provided by Council by 31 March 2022.
6. Submission by the association to the Council of a funding proposal for the three years commencing July 2022. The Submission will need to outline the ongoing funding requirements to maintain current levels of service to the community and is to be provided to Council by 31 January 2022.
7. In person Board presentation to Council on plans for 2022 – 23 and budget for consideration no later than February 2022 Council meeting
8. Finalisation of an MoU and development of a three year funding agreement framework and KPIs to be implemented from 1 July 2022 to coincide with the term of the current lease to be provided to Council by 30 April 2022.



COUNCIL REPORT

Agenda Item Number:	14.02.04
Report Title:	Progress Report - Reconciliation Action Plan
Author:	Diana Leeder, Executive Manager Community Inclusion
Recommending Officer:	Daniel Fletcher, Chief Executive Officer
Meeting Date:	16/11/2021
Attachments:	A :Mandatory Actions RAP

Executive Summary

Council included the development of a Reconciliation Action Plan (RAP) as a strategic initiative in the 2021/22 Municipal Plan. This report provides Council with an update on progress relating to the initial stage of this 12 month project.

Recommendation

THAT Council receive and note the Reconciliation Action Plan Progress Report.

Background

Development of a RAP is through registration with Reconciliation Australia, an independent not-for profit organisation, which is the lead body for reconciliation in Australia. Reconciliation Australia's RAP Framework provides organisations with a structured approach to advance reconciliation. The organisation promotes and facilitates reconciliation by building relationships, respect and trust between the wider Australian community and Aboriginal and Torres Strait Islander peoples.

There are four RAP types – Reflect, Innovate, Stretch and Elevate - to allow organisations to continuously develop their reconciliation action plans.

Council is registered with Reconciliation Australia to develop a Reflect RAP, a first stage RAP that scopes capacity for reconciliation. Reflect RAPs are for organisations new to reconciliation and require a commitment of 12 months. They set out steps to prepare the organisation for reconciliation initiatives in future RAPs.

Committing to a Reflect RAP means scoping and developing relationships with Aboriginal and Torres Strait Islander stakeholders, deciding on a vision for reconciliation and exploring your sphere of influence. The vision can be finalised as part of a stage 2 Innovate RAP.

During the 12 months developing a Reflect RAP, a RAP working group must be established. This has no more than 10 – 15 members, comprising staff who represent a wide range of departments,

locations and levels; Aboriginal and Torres Strait Islander representatives (staff or external); key decision makers and a RAP Champion.

Actions to date

Acknowledgement of Traditional Owners at all formal Council meetings and events such as Australia Day.

Acknowledgement of Traditional Owners in key documents such as the annual report.

Welcome to Country at annual Australia Day events.

Smoking ceremony and Welcome to Country at commencement of Council term.

Development of Acknowledgement of Traditional Owners statement for inclusion in signature block on Council email addresses.

Seeking internal expressions of interest for membership of a staff working group to guide the formation of a wider group containing elected members and external members.

Other Northern Territory Councils that have already developed RAPs include:

Alice Springs – Reflect.

West Arnhem– Innovate.

City of Darwin – Innovate.

City of Palmerston will develop a RAP as part of its Inclusive, Diverse and Accessible Policy Framework.

Links with Strategic Plan

A Well-Run Council - Engaging Our Community

Legislative and Policy Implications

There are no legislative or policy implications.

Risks



There are no identified risks associated with this report.

Community Engagement

The new initiative was part of the community consultation on the 2021/22 Municipal Plan.

Required actions and deliverables

Each type of RAP outlines a set of actions and deliverables that workplaces are required to commit to in order to receive Reconciliation Australia's endorsement and unique RAP logo. The following table provides a list of required actions and deliverables workplaces must commit to for each type.

RELATIONSHIPS			
ACTION	REFLECT DELIVERABLES	INNOVATE DELIVERABLES	STRETCH DELIVERABLES
Establish and strengthen mutually beneficial relationships with Aboriginal and Torres Strait Islander stakeholders and organisations.	<ul style="list-style-type: none"> Identify Aboriginal and Torres Strait Islander stakeholders and organisations within our local area or sphere of influence. Research best practice and principles that support partnerships with Aboriginal and Torres Strait Islander stakeholders and organisations. 	<ul style="list-style-type: none"> Meet with local Aboriginal and Torres Strait Islander stakeholders and organisations to develop guiding principles for future engagement. Develop and implement an engagement plan to work with Aboriginal and Torres Strait Islander stakeholders and organisations. 	<ul style="list-style-type: none"> Meet with local Aboriginal and Torres Strait Islander stakeholders and organisations to continuously improve guiding principles for engagement. Review, update and implement an engagement plan to work with Aboriginal and Torres Strait Islander stakeholders. Establish and maintain <i>[number]</i> formal two-way partnerships with Aboriginal and Torres Strait Islander communities or organisations, including <i>[list organisations]</i>: (Either set measurable target AND/OR list organisation names)
Build relationships through celebrating National Reconciliation Week (NRW).	<ul style="list-style-type: none"> Circulate Reconciliation Australia's NRW resources and reconciliation materials to staff. RAP Working Group members to participate in an external NRW event. Encourage and support staff and senior leaders to participate in at least one external event to recognise and celebrate NRW. 	<ul style="list-style-type: none"> Circulate Reconciliation Australia's NRW resources and reconciliation materials to staff. RAP Working Group members to participate in an external NRW event. Encourage and support staff and senior leaders to participate in at least one external event to recognise and celebrate NRW Organise at least one NRW event each year. Register all our NRW events on Reconciliation Australia's NRW website. 	<ul style="list-style-type: none"> Circulate Reconciliation Australia's NRW resources and reconciliation materials to all staff. RAP Working Group members to participate in an external NRW event. Encourage and support staff and senior leaders to participate in <i>[number]</i> external events to recognise and celebrate NRW, including <i>[list events]</i>: (Either set measurable target AND/OR list events) Organise <i>[number]</i> internal NRW events, including at least one organisation-wide NRW event, each year.

			<ul style="list-style-type: none"> Register all our NRW events on Reconciliation Australia's NRW website.
Promote reconciliation through our sphere of influence.	<ul style="list-style-type: none"> Communicate our commitment to reconciliation to all staff. Identify external stakeholders that our organisation can engage with on our reconciliation journey. Identify RAP and other like-minded organisations that we could approach to collaborate with on our reconciliation journey. 	<ul style="list-style-type: none"> Implement strategies to engage our staff in reconciliation. Communicate our commitment to reconciliation publically. Explore opportunities to positively influence our external stakeholders to drive reconciliation outcomes. Collaborate with RAP and other like-minded organisations to develop ways to advance reconciliation. 	<ul style="list-style-type: none"> Implement strategies to engage all staff to drive reconciliation outcomes. Communicate our commitment to reconciliation publically. Implement strategies to positively influence our external stakeholders to drive reconciliation outcomes. Collaborate with <i>[number]</i> RAP and other like-minded organisations to implement ways to advance reconciliation, including <i>[list organisations]</i>: (Either set measurable target AND/OR list organisation names)
Promote positive race relations through anti-discrimination strategies.	<ul style="list-style-type: none"> Research best practice and policies in areas of race relations and anti-discrimination. Conduct a review of HR policies and procedures to identify existing anti-discrimination provisions, and future needs. 	<ul style="list-style-type: none"> Conduct a review of HR policies and procedures to identify existing anti-discrimination provisions, and future needs. Develop, implement and communicate an anti-discrimination policy for our organisation. Engage with Aboriginal and Torres Strait Islander staff and/or Aboriginal and Torres Strait Islander advisors to consult on our anti-discrimination policy. Educate senior leaders and managers on the effects of racism. 	<ul style="list-style-type: none"> Continuously improve HR policies and procedures concerned with anti-discrimination. Engage with Aboriginal and Torres Strait Islander staff and/or Aboriginal and Torres Strait Islander advisors to continuously improve our anti-discrimination policy. Implement and communicate an anti-discrimination policy for our organisation. Provide ongoing education opportunities for senior leaders and managers on the effects of racism. Senior leaders to publically support anti-discrimination campaigns, initiatives or stances against racism.

RESPECT			
ACTION	REFLECT DELIVERABLES	INNOVATE DELIVERABLES	STRETCH DELIVERABLES
<p>Increase understanding, value and recognition of Aboriginal and Torres Strait Islander cultures, histories, knowledge and rights through cultural learning.</p>	<ul style="list-style-type: none"> • Develop a business case for increasing understanding, value and recognition of Aboriginal and Torres Strait Islander cultures, histories, knowledge and rights within our organisation. • Conduct a review of cultural learning needs within our organisation. 	<ul style="list-style-type: none"> • Conduct a review of cultural learning needs within our organisation. • Consult local Traditional Owners and/or Aboriginal and Torres Strait Islander advisors on the development and implementation of a cultural learning strategy. • Develop, implement and communicate a cultural learning strategy for all staff. • Provide opportunities for RAP Working Group members, HR managers and other key leadership staff to participate in formal and structured cultural learning. 	<ul style="list-style-type: none"> • Conduct a review of cultural learning needs within our organisation. • Consult local Traditional Owners and/or Aboriginal and Torres Strait Islander advisors on the development and implementation of a cultural learning strategy. • Implement and communicate a cultural learning strategy for our staff. • Commit all RAP Working Group members, HR managers, senior executive group and all new staff to undertake formal and structured cultural learning. • [%] all staff to undertake formal and structured cultural learning.
<p>Demonstrate respect to Aboriginal and Torres Strait Islander peoples by observing cultural protocols.</p>	<ul style="list-style-type: none"> • Develop an understanding of the local Traditional Owners or Custodians of the lands and waters within our organisation's operational area. • Increase staff's understanding of the purpose and significance behind cultural protocols, including Acknowledgement of Country and Welcome to Country protocols. 	<ul style="list-style-type: none"> • Increase staff's understanding of the purpose and significance behind cultural protocols, including Acknowledgement of Country and Welcome to Country protocols. • Develop, implement and communicate a cultural protocol document, including protocols for Welcome to Country and Acknowledgement of Country. • Invite a local Traditional Owner or Custodian to provide a Welcome to Country or other appropriate cultural protocol at significant events each year. • Include an Acknowledgement of Country or other appropriate protocols at the commencement of important meetings. 	<ul style="list-style-type: none"> • Increase staff's understanding of the purpose and significance behind cultural protocols, including Acknowledgement of Country and Welcome to Country protocols. • Implement and communicate a cultural protocol document (tailored for all local communities we operate in), including protocols for Welcome to Country and Acknowledgement of Country. • Invite a local Traditional Owner or Custodian to provide a Welcome to Country or other appropriate cultural protocol at [number] significant events each year, including [list events]: (Either set measurable target AND/OR list events) • Include an Acknowledgement of Country or other appropriate protocols at the commencement of important meetings.

			<ul style="list-style-type: none"> • Staff and senior leaders provide an Acknowledgement of Country or other appropriate protocols at all public events. • Display an Acknowledgment of Country plaque or other appropriate protocols in our office/s or on our buildings.
<p>Build respect for Aboriginal and Torres Strait Islander cultures and histories by celebrating NAIDOC Week.</p>	<ul style="list-style-type: none"> • Raise awareness and share information amongst staff about the meaning of NAIDOC Week. • Introduce staff to NAIDOC Week by promoting external events in our local area. • RAP Working Group to participate in an external NAIDOC Week event. 	<ul style="list-style-type: none"> • RAP Working Group to participate in an external NAIDOC Week event. • Review HR policies and procedures to remove barriers to staff participating in NAIDOC Week. • Promote and encourage participation in external NAIDOC events to all staff. 	<ul style="list-style-type: none"> • RAP Working Group to participate in an external NAIDOC Week event. • Review HR policies and procedures to remove barriers to staff participating in NAIDOC Week. • Support all staff to participate in <i>[number]</i> external NAIDOC Week events in our local area, including <i>[list events]</i>: (Either set measurable target AND/OR list events) • In consultation with Aboriginal and Torres Strait Islander stakeholders, support <i>[number]</i> external NAIDOC Week events each year, including <i>[list events]</i>: (Either set measurable target AND/OR list events)

OPPORTUNITIES			
ACTION	REFLECT DELIVERABLES	INNOVATE DELIVERABLES	STRETCH DELIVERABLES
<p>Improve employment outcomes by increasing Aboriginal and Torres Strait Islander recruitment, retention and professional development.</p>	<ul style="list-style-type: none"> • Develop a business case for Aboriginal and Torres Strait Islander employment within our organisation. • Build understanding of current Aboriginal and Torres Strait Islander staffing to inform future employment and professional development opportunities. 	<ul style="list-style-type: none"> • Build understanding of current Aboriginal and Torres Strait Islander staffing to inform future employment and professional development opportunities. • Engage with Aboriginal and Torres Strait Islander staff to consult on our recruitment, retention and professional development strategy. • Develop and implement an Aboriginal and Torres Strait Islander recruitment, retention and professional development strategy. • Advertise job vacancies to effectively reach Aboriginal and Torres Strait Islander stakeholders. • Review HR and recruitment procedures and policies to remove barriers to Aboriginal and Torres Strait Islander participation in our workplace. • Increase the percentage of Aboriginal and Torres Strait Islander staff employed in our workforce. 	<ul style="list-style-type: none"> • Engage with Aboriginal and Torres Strait Islander staff to consult on our recruitment, retention and professional development strategy. • Develop and implement an Aboriginal and Torres Strait Islander recruitment, retention and professional development strategy. • Advertise job vacancies to effectively reach Aboriginal and Torres Strait Islander stakeholders. • Review HR and recruitment procedures and policies to remove barriers to Aboriginal and Torres Strait Islander participation in our workplace. • Aboriginal and Torres Strait Islander employees to be supported to take on management and senior level positions. • Increase the percentage of Aboriginal and Torres Strait Islander staff employed in our workforce from [%] to [%].
<p>Increase Aboriginal and Torres Strait Islander supplier diversity to support improved economic and social outcomes.</p>	<ul style="list-style-type: none"> • Develop a business case for procurement from Aboriginal and Torres Strait Islander owned businesses. • Investigate Supply Nation membership. 	<ul style="list-style-type: none"> • Develop and implement an Aboriginal and Torres Strait Islander procurement strategy. • Investigate Supply Nation membership. • Develop and communicate opportunities for procurement of goods and services from Aboriginal and Torres Strait Islander businesses to staff. • Review and update procurement practices to remove barriers to procuring goods and services from Aboriginal and Torres Strait Islander businesses. 	<ul style="list-style-type: none"> • Develop and implement an Aboriginal and Torres Strait Islander procurement strategy. • Investigate Supply Nation membership. • Develop and communicate opportunities for procurement of goods and services from Aboriginal and Torres Strait Islander businesses to staff. • Review and update procurement practices to remove barriers to procuring goods and services from Aboriginal and Torres Strait Islander businesses.

		<ul style="list-style-type: none"> • Develop commercial relationships with Aboriginal and/or Torres Strait Islander businesses. 	<ul style="list-style-type: none"> • Maintain commercial relationships with <i>[number]</i> Aboriginal and/or Torres Strait Islander businesses, including <i>[list businesses]</i>: (Either set measurable target AND/OR list business names). • Increase our overall spend on goods and services purchased each year with Aboriginal and Torres Strait Islander owned businesses from <i>[%]</i> to <i>[%]</i>. • Train all relevant staff in contracting Aboriginal and Torres Strait Islander businesses through Supply Nation or an equivalent organisation.
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GOVERNANCE			
ACTION	REFLECT	INNOVATE	STRETCH
Establish and maintain an effective RAP Working Group (RWG) to drive governance of the RAP.	<ul style="list-style-type: none"> Form a RWG to govern RAP implementation. Draft a Terms of Reference for the RWG. Establish Aboriginal and Torres Strait Islander representation on the RWG. 	<ul style="list-style-type: none"> Maintain Aboriginal and Torres Strait Islander representation on the RWG. Establish and apply a Terms of Reference for the RWG. RWG meet at least four times per year to drive and monitor RAP implementation. 	<ul style="list-style-type: none"> Maintain Aboriginal and Torres Strait Islander representation on the RWG. Apply a Terms of Reference for the RWG. RWG meet at least four times per year to drive and monitor RAP implementation.
Provide appropriate support for effective implementation of RAP commitments.	<ul style="list-style-type: none"> Define resource needs for RAP implementation. Engage senior leaders in the delivery of RAP commitments. Define appropriate systems and capability to track, measure and report on RAP commitments. 	<ul style="list-style-type: none"> Define resource needs for RAP implementation. Engage senior leaders and other staff in the delivery of RAP commitments. Define and maintain appropriate systems and capability to track, measure and report on RAP commitments. Appoint and maintain an internal RAP Champion from senior management. 	<ul style="list-style-type: none"> Embed resource needs for RAP implementation. Embed key RAP actions in performance expectations of senior management and all staff. Embed appropriate systems and capability to track, measure and report on RAP commitments. Maintain an internal RAP Champion from senior management. Include our RAP as a standing agenda item at senior management meetings.
Build accountability and transparency through reporting RAP achievements, challenges and learnings both internally and externally.	<ul style="list-style-type: none"> Complete and submit the annual RAP Impact Measurement Questionnaire to Reconciliation Australia. 	<ul style="list-style-type: none"> Complete and submit the annual RAP Impact Measurement Questionnaire to Reconciliation Australia. Report RAP progress to all staff and senior leaders quarterly. Publically report our RAP achievements, challenges and learnings, annually. Investigate participating in Reconciliation Australia's biennial Workplace RAP Barometer. 	<ul style="list-style-type: none"> Complete and submit the annual RAP Impact Measurement Questionnaire to Reconciliation Australia. Report RAP progress to all staff and senior leaders quarterly. Publically report against our RAP commitments annually, outlining achievements, challenges and learnings. Investigate participating in Reconciliation Australia's biennial Workplace RAP Barometer.
Continue our reconciliation journey by developing our next RAP.	<ul style="list-style-type: none"> Register via Reconciliation Australia's website to begin developing our next RAP. 	<ul style="list-style-type: none"> Register via Reconciliation Australia's website to begin developing our next RAP. 	<ul style="list-style-type: none"> Register via Reconciliation Australia's website to begin developing our next RAP.



COUNCIL REPORT

Agenda Item Number:	14.02.05
Report Title:	Freds Pass Rural Show Committee Funding Request
Author:	Diana Leeder, Executive Manager Community Inclusion
Recommending Officer:	Daniel Fletcher, Chief Executive Officer
Meeting Date:	16/11/2021
Attachments:	A: Freds Pass Rural Show Funding Request B: Economic Profile on all the NT Agricultural Shows

Executive Summary

This report provides Councillors with information about the Freds Pass Rural Community Show Inc prior to seeking Council's decision on future funding for the Freds Pass Rural Show.

Recommendation

THAT Council:

1. acknowledge the contribution of the Freds Pass Rural Show Inc. as a major event for the Litchfield Municipality, supporting the display of local businesses, community groups and organisations and talent of residents and making a significant contribution to the local economy;
2. continue to support the Freds Pass Rural Show Inc with a three-year funding agreement 2021 - 2024, commencing with base level funding of \$45,000 for 2021 – 2022 with any additional funding to be considered during the 2022/23 budget process; and
3. advise the Freds Pass Rural Show Inc that consideration of its application for an increase in funding for the second and third years of the agreement will be based on the provision of a budget identifying the need for such an increase.

Background

The Freds Pass Rural Show (the Show) has been running since 1979 and has been a major event on the Freds Pass Sport and Recreation Reserve for all those years except 2013 (the 2013 Show did not take place due to change of management), 2020 (COVID-19) and 2021 (change of management too close to the Show date). Council has funded the Show over the past six years (2016 to 2021) on a sponsorship basis and needs to consider whether funding should continue.

The Show is a major event for the Litchfield Municipality, supporting the display of local businesses, community groups and organisations and talent of residents. The NT Show Council has completed an economic profile of all the NT agricultural shows (Attachment B). Based on 2019 figures, it gives

a summary of how many dollars each show contributes to its local economy. It is estimated that the Freds Pass Rural Show's economic impact is approximately \$5,561,115.

In the past few years, the Show struggled to find major sponsors, which could be related to the overall economic downturn of the area and the uncertainty of Government funding. The Show is dependent on funding from Litchfield Council as a partner

Annual attendance is approximately 20,000 and the Show almost attracts the population size of the Municipality and therefore appears to be a successful community event.

In 2019 the Freds Pass Show Inc developed a Strategic Plan outlining five main objectives:

1. Secure ongoing operational funding and broaden funding base to ensure ongoing viability.
2. Ensure permanent and positive association with Freds Pass Sport & Recreation Reserve and its User Groups.
3. Continually improve the operation and organisation of the Show to ensure visitor enjoyment and increased viability.
4. Improve overall marketing and awareness of Freds Pass Show to increase entries, stall holders and visitor numbers.
5. Improve governance and increase the number of people/volunteers involved.

In 2021 the Show management committee disbanded and has since been re-established with new officer bearers:

- Chair - Shirley Preston
- Vice Chair - Tim West
- Treasurer - Colleen Yiallourou
- Secretary - Christine Simpson
- General Committee Members
- Lindsey Stewart, Colin Parkinson, Jill Clothier, Jane Miles, Trudy Stewart
- Public Officer - Shirley Preston
- Paddock to Plate/50km Feast Coordinator - Sally Clayton

The Show has submitted its funding request for the 2022 Show (See Attachment A). The main points from the submission are:

- Due to there being no live Freds Pass Rural Show for 2 years and the loss of income that this has incurred, it is envisaged that the 2022 show may be a little "leaner".
- The committee wants to drive greater community involvement in the show - particularly from the many not-for-profit clubs/schools/organisation in the rural area.
- There will be greater show infrastructure costs in several areas than previous years, including hire of a large, tented Show Hall with a floor and air-conditioning. The Freds Pass Reserve Community Hall is no longer be available due to its lack of a certificate of compliance. Additionally, a need to institute electronic ticketing at the 4 entry gates to fulfill COVID requirements of checking-in has been identified. This entails setting up a ticketing system, purchasing the hardware required, and getting reliable WIFI to the gates.

- A three-year funding agreement at Year 1 \$45,000, Year 2 \$47,000 and Year 3 \$49,000, is sought together with in-kind contributions of the provision of a water truck and some grading of the internal dirt roads just before the show.

As the Show has not been able to operate for the last two years and additional costs have been identified the request of \$45,000 plus limited in-kind assistance is not considered unreasonable, however the second and third years should be subject to submission of a detailed budget identifying the need for any further increase in funding. Any funding agreement will clearly stipulate that Council assistance must be publicly acknowledged.

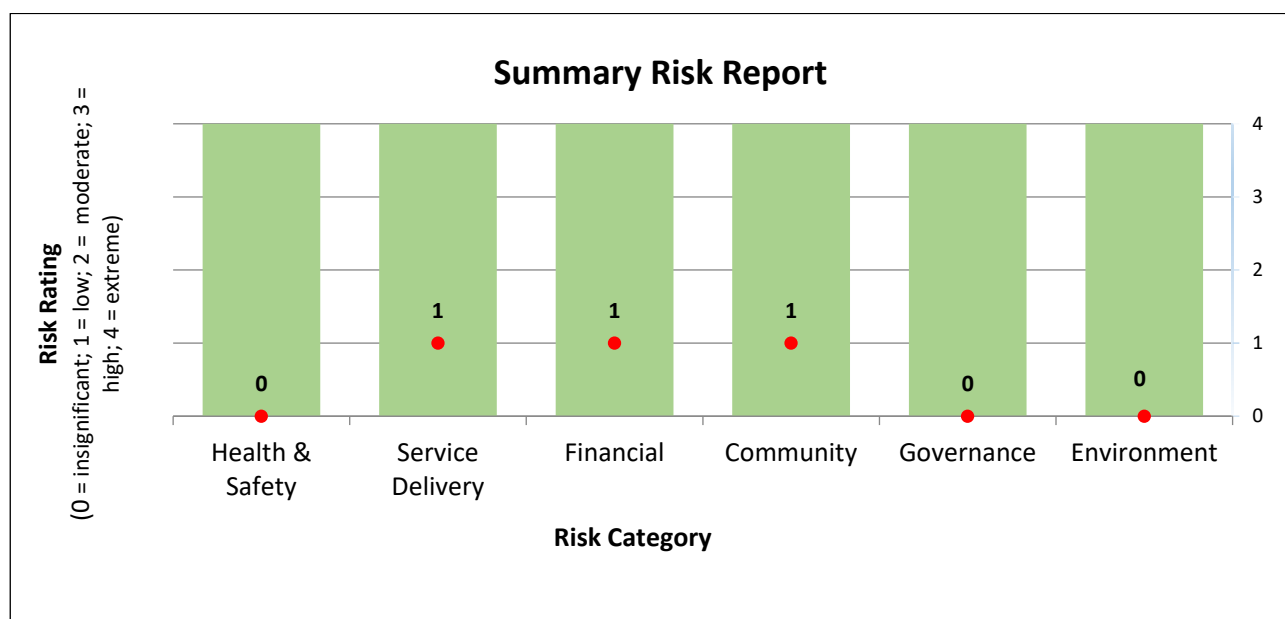
Links with Strategic Plan

A Well-Run Council - Engaging Our Community

Legislative and Policy Implications

Council is moving from sponsorship funding where a financial acquittal is not required to funding agreements detailing specific outcomes expected by Council and requiring a financial acquittal. The grants and sponsorships policy is being updated to reflect this.

Risks



Financial

There is currently a provision of \$40,000 in the 2021-22 budget under the Community Service division of Council. It is possible that an additional \$5000 could be identified from within the community grants funds. The Show remains the only major event continuously funded by Council besides the Palmerston and Litchfield Seniors fortnight activities. Other events are funded through Community Grant applications.

Community

Discussions with the Show president indicate the Show might not be able to continue without the significant funding provided by Council. Reputational issues could arise for Council if no further funding is approved, and the continuation of the Show is at risk.

Community Engagement

Nil



Economic Profile

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Royal Darwin Show	10
Borroloola Show	11



Chair's Address

As the peak body for the seven iconic Territory Shows, the Northern Territory Show Council are excited to launch this publication highlighting the economic benefits of these major events. Each event is unique for its region; they bring people together, provide attractions for residents and visitors and enables industries to share their stories and reach new markets.

The Show circuit events are held annually over four months, May through to August, attracting over 110,000 people, that's nearly half the Northern Territory's population.

This publication provides a snapshot of each event and its contribution. The positive flow of revenue into each region and across the Territory is annually estimated at \$47 million. Each event lifts the tourism in the region and can provide over 340 jobs and increase flow-on effects on consumption.

Over eight hundred stalls and exhibitors selling and promoting Territory goods and services have an opportunity to engage with locals and tourists. It's a mecca for families, couples and teenagers, with the events playing an essential part in highlighting the industries around them. It is great to see many of the Shows, including new and exciting attractions and building awareness of their regions.

The Shows work on the backbone of our volunteers; several of the shows operate one hundred percent through its volunteers, dedicated to sharing the stories of their region. I am proud to be Chairperson of the NT Show Council and honoured to be part of the volunteers that support the Territory's agriculture connections.

The ongoing education of our regions and the connections the Shows create within their local communities is vital to strengthening the Territory's economy. This publication demonstrates the impact of agriculture Shows in the Northern Territory and the social and economic benefits they hold.

I would like to thank the Show members for their support and involvement and the Northern Territory Government who sponsored this publication. The frameworks were completed with input from the Shows and independently with Mint Key and Regional Development Australia NT.

Rosemary Gibbins
Chair, NT Show Council



Overview of NT Shows

SEVEN UNIQUE SHOWS SEVEN SLICES OF TERRITORY LIFE

Agriculture Shows **engage**, **entertain** and **educate** our community on the value of **sustainable** agriculture and its importance in the Territory way of life.



110,000+
visitors each year

347.1 annual job
increase in the RDA
Northern Territory

12 days over 4 months
MAY • JUNE • JULY • AUGUST



Economic Impact

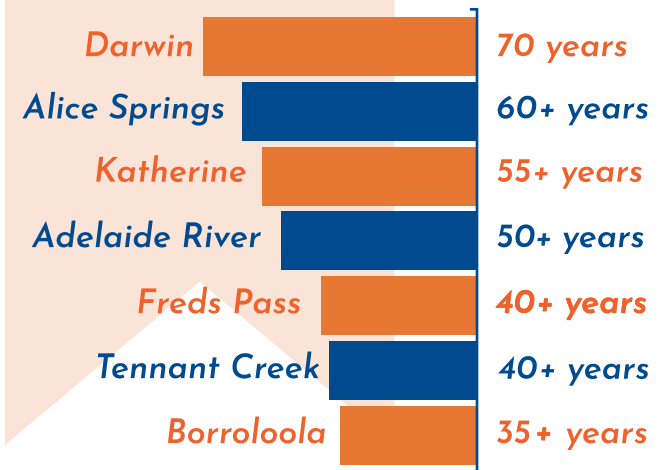
Freds Pass Show	\$5,561,115 (2 days)
Adelaide River Show	\$124,587 (1 day)
Alice Springs Show	\$12,977,221 (2 days)
Tennant Creek Show	\$904,032 (1 day)
Katherine Show	\$7,334,527 (2 days)
Royal Darwin Show	\$20,539,396 (3 days)
Borroloola Show	\$20,466 (1 day)

TOTAL = \$47,461,344 investment



Total value of volunteers hours
and in-kind support exceeds
\$2.4m per annum

Milestones



Equestrian



Cooking



Yellow Brick Road



Music



Cows



Fireworks



Arts & Crafts



Chickens

Meeting Friends

Volunteering

**Social
Benefits**

Being Active

Learning New
Skills

Freds Pass Rural Show

The Freds Pass Rural Show is a family event in the **heart of the Top End's rural area**. Held over two days every May. This rural show is full of activities for everyone.

Celebrating
40+
years



SHOW HIGHLIGHTS

Paddock to Plate
Main Stage Entertainment
Woodchoppers
Equestrian



21,000+

visitors each year



FIREWORKS

Saturday night



153 Stallholders



195 Sponsors



328 Volunteers



18 Coordinators

ECONOMY

\$5.5m

Total impact on
Litchfield Council
LGA economy



\$4.9m
direct impact

\$504,489

indirect
intermediate
goods and
services impact

\$2.3m

increase on
GRP in the
RDA Northern
Territory

\$152,727

consumption
impact

Competition Entries

Over

16

Sections

Chicken

294

Entries

Cooking

241

Entries



3,811
Followers

117k
Reach



JOBS

72.4

annual local jobs

4.4

indirect annual local jobs

0.8 annual local jobs on
consumption impacts of the
additional employment



77.6

annual job
increase in the
RDA Northern
Territory

Freds Pass Rural Show

PO Box 639, Coolalinga, NT. 0839

Phone: 0488 588 202

Website: fredspassruralshow.com.au

Facebook: FredsPassRuralShow

Instagram: FredsPassRuralShow

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Adelaide River Show

The Adelaide River Show held in June, features a camp draft, rodeo, polocrosse, gymkhana as well as the traditional competitions in arts and crafts, flora art, cookery, photography, horticulture and agriculture, and farm produce in both adult and children sections.

Celebrating
50+
years



SHOW HIGHLIGHTS

- **Camp Draft**
- Polocrosse Carnival
- **Arts Pavilion**
- Exhibitions Markets
- **Stockman's Race**



800+
visitors each year



8 Stallholders



12 Volunteers



ECONOMY

\$124,587



Total impact on
Adelaide River
Council LGA
economy

\$115,024
direct impact

\$8,442

indirect
intermediate
goods and
services impact

\$1m

increase on
GRP in the
RDA Northern
Territory

\$1,121

consumption
impact

Competition Entries

Cooking

50

Entries



**Polocrosse
Carnival**

Camp Draft

Days of

4

Camp Draft

Camp Draft

400

Nominations



1,513
Followers



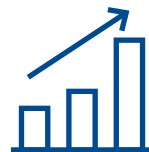
JOBS

0.5

annual local jobs

0.6

annual job
increase in the
RDA Northern
Territory



**Arts
Pavillion**

Adelaide River Show Society

51 Dorat rd, Adelaide River. NT 0846

Phone: 08 8976 7041

Email: info@arss.org.au

Website: arss.org.au

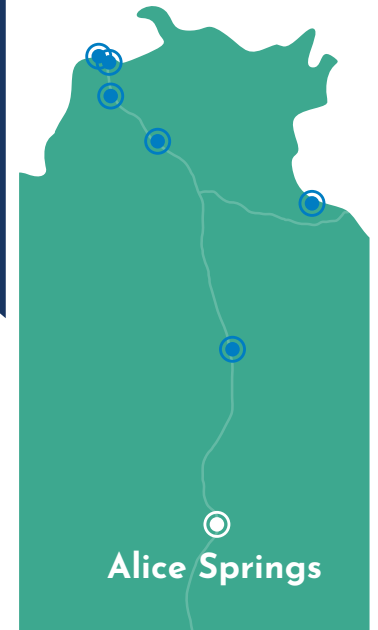
Facebook: AdelaideRiverShowSociety

Instagram: AdelaideRiverShowSociety

Alice Springs Show

Held on the first **Friday & Saturday in July**, the Alice Springs Show is the largest community event in Alice Springs. An event celebrating the agricultural and pastoral industries of the region that promotes the social wellbeing of our community

Celebrating
60+
years



Alice Springs



TICKET
24,000+
visitors each year



45,092
Website visits

279,279
Page visits



4,919
Followers

143,081
Reach

217,119
Impressions

ECONOMY

\$12.9m

Total impact
on Alice Springs
Council LGA
economy



\$8.1m
direct impact

\$5.8m
indirect
intermediate
goods and
services impact

\$5.5m

increase on
GRP in the
RDA Northern
Territory

\$3.7m
consumption
impact

Competition Entries

Overall

2,878

Entries

Equestrian

296

Entries

Cattle

160

Entries

Poultry

93

Entries



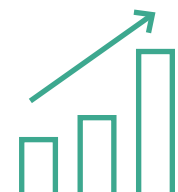
JOBS

71.2
annual local jobs

12.3
indirect annual local jobs

5.6 annual local jobs on
consumption impacts of the
additional employment

89.1
annual job
increase in the
RDA Northern
Territory



Central Australian Show Society

PO Box 2413, Alice Springs

Phone: (08) 8952 1651

Email: cass@alice-springs.com.au

Website: alice-springs.com.au

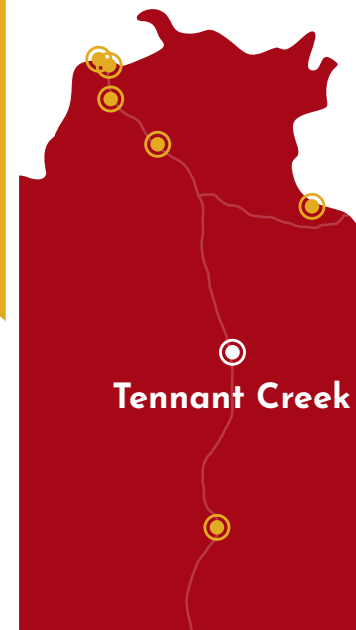
Facebook: [alicespringsshow](https://www.facebook.com/alicespringsshow)

Instagram: [alicespringsshow](https://www.instagram.com/alicespringsshow)

Tennant Creek Show

Tennant Creek Show showcases some of the region's agriculture and is celebrated annually on the second Friday in July. This great day out brings the whole family into town for the family entertainment, exhibits, market stalls, sideshows and a visit to the cattle yards.

Celebrating
40+
years



SHOW HIGHLIGHTS

- CWA Bake Sale
- Scarecrow Competition
- Dog Show
- Cows for Schools
- Bush Track
- Budding Chefs
- Green Thumbs
- Talented Seamstresses
- Hidden Artists



3,500

visitors
each year



60%
Families

ECONOMY



\$904,032

Total impact on
Barkly Regional
Council LGA
economy

\$726,180
direct impact

\$119,299
indirect
intermediate
goods and
services impact

\$348,224

increase on
GRP in the
RDA Northern
Territory

\$58,552
consumption
impact



JOBS

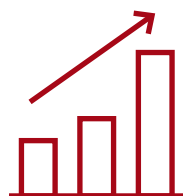
11

annual local jobs

0.7

indirect annual local jobs

0.3 annual local jobs on
consumption impacts of the
additional employment



12

annual job
increase in the
RDA Northern
Territory



35 Stallholders



20+ Volunteers

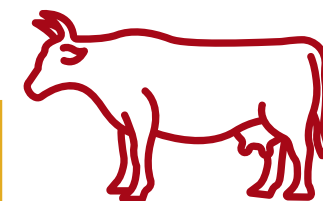


CWA
Bake
Sale

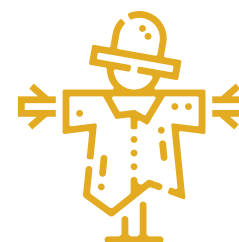


528
Followers

Assistance
from Girl
Guides



Cows for Schools



Scarecrow
Competition

Tennant Creek & District
Show Society

PO Box 515 Tennant Creek NT 0861
Email: tennantcreekshow@gmail.com
Website: tennantcreek.com.au
Facebook: [TennantCreekShow](https://www.facebook.com/TennantCreekShow)

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These figures represent an estimated amount for economic and jobs and are based on 2019 events.

Katherine Show & Rodeo

Held during the **third weekend in July**, the Katherine Show & Rodeo is a major event on the Katherine calendar, drawing people from **all over Australia**.

Celebrating
55+
years



150+ Volunteers



184 Sponsors



2 Partners
(1 paid and 1 charity)

5 days of
EQUESTRIAN

3 days of Campdraft

2 nights of Rodeo

9 Equestrian sections

264 Classes



ECONOMY

\$7.3m

Total impact on
Katherine Town
Council LGA
economy



\$5.2m
direct impact

\$1.4m
indirect
intermediate
goods and
services impact

\$3m

increase on
GRP in the
RDA Northern
Territory

\$548,967
consumption
impact



Fireworks
Saturday
night

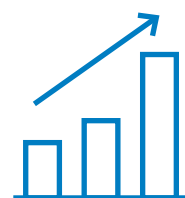


JOBS

55.7
annual local jobs

5.9
indirect annual local jobs

1.6 annual local jobs on
consumption impacts of the
additional employment



63.2
annual job
increase in the
RDA Northern
Territory

Local School

9/9

Participation

Show Hall

4,229

Entries



2,772

Facebook followers

Katherine & District Show Society

PO Box 339, Katherine NT 0851

Phone: (08) 8972 1746

Email: mail@katherineshow.org.au

Website: katherineshow.org.au

Facebook: Katherine Show & Rodeo

Instagram: [katherine_show_and_rodeo](https://www.instagram.com/katherine_show_and_rodeo)

Royal Darwin Show

Each year since 1951 the annual Royal Darwin Show has brought people together to celebrate city and country endeavour in all its diversity. Held on the fourth weekend in July, it celebrates **showcase, competition, education and entertainment**.

Celebrating
70
years



SHOW HIGHLIGHTS

- Eljay's Junkyard Show
- Tom Curtain's - Outback Experience
- Live at the Bandstand
- Darwin Country Music Talent Quest
- Yellow Brick Road
- Spear Throwing & Traditional Fire Lighting
- Dinkum Dinosaurs
- The Sandman
- Equestrian Events Main Arena
- Roving stiltwalkers



235 Stallholders



160 Sponsors



450+ Volunteers



8 Partners

ECONOMY

\$20.5m

Total impact on
City of Darwin
LGA economy



\$14.1m
direct impact

\$3.7m

indirect
intermediate
goods and
services impact

\$8.9m

increase on
GRP in the
RDA Northern
Territory

\$2.7m

consumption
impact



45,000+
visitors each year

48.5% Families

7% School groups

25% Single adults

2% Pensioners

Over 23 competitive sections

Overall

3,358

Entries

Horticulture

872

Entries

Junior Show

1,151

Entries

Poultry & small
livestock

538

Entries

Art, Craft &
Cooking

1,634

Entries

Cattle
& Horse

230

Entries



fireworks
Saturday
night



5,062
Followers

118,000
Reach



JOBS

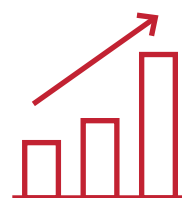
109.6

annual local jobs

15.6

indirect annual local jobs

9.9 annual local jobs on
consumption impacts of the
additional employment



135

annual job
increase in the
RDA Northern
Territory

1million
website visits

Royal Agricultural Society of the NT

PO Box 39600 Winnellie, NT. 0821

Phone: (08) 8984 3091

Website: darwinshow.com.au

Facebook: royaldarwinshow

Instagram: royaldarwinshow

Borrooloola Show

The Borrooloola Show is held on the **3rd Friday in August**, in the isolated town of Borrooloola in the Gulf of Carpentaria. Despite its small size and remote location, the Territory show season's last blast sees the whole town and surrounding communities come and celebrate together. Along with the local rodeo and camp draft, there are agriculture, gardening and produce, entertainment and a visiting fun fair.

Celebrating
35+
years



SHOW HIGHLIGHTS

- Exhibition Display
- Watermelon Eating Competition
- Indigenous Art Competition
- Fancy Dress Competition



240+

visitors each year



15 Stallholders



15 Volunteers

ECONOMY

\$20,466

Total impact
on Roper Gulf
Regional LGA
economy



\$15,243
direct impact

\$3,974

indirect
intermediate
goods and
services impact

\$7,751

increase on
GRP in the
RDA Northern
Territory

\$1,249

consumption
impact

Competition Entries

Cooking

29

Entries



**Watermelon
Eating**



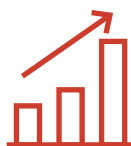
JOBS

0.2

annual FTE local jobs

0.3

annual job increase
in the RDA Northern
Territory



174

Followers

Free Family Events

Tug of War



Tin Can Toss

Borrooloola Gulf Show Society

PO Box 415, Borrooloola, NT 0854

Phone: (08) 8975 6704

Email: borshownt@gmail.com:

Facebook: BorrooloolaGulfShow

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NT Show Council
PO Box 1053 Nightcliff 0814
Ph: 0409 032 196
E: admin@ntshowcouncil.com.au
ntshowcouncil.com.au





13 August 2021

Daniel Fletcher
Chief Executive Officer
Litchfield Council
PO Box 446 Humpty Doo NT 0836
Email daniel.fletcher@litchfield.nt.gov.au

Dear Daniel,

Thank you for the opportunity to meet with you and Diana at the Litchfield Council chambers. As discussed, the Freds Pass Rural Show Inc committee is busy progressing with consolidating the association and planning for the 2022 show, which we have set the date for – 14th and 15th of May, with the 50KM Feast being on the night of Friday the 13th (we might have to work up that theme!) We will soon be employing a Show Coordinator to commence the in-depth planning and coordination. I also mentioned that we have 2 new committee members – Tim West and Roger Pocock, both of whom bring many skills and local knowledge to the association.

Due to there being no live Freds Pass Rural Show for 2 years and the loss of income that this has incurred, we envisage that the 2022 show may be a little “leaner”. However, one thing that the committee really want to drive is for greater community involvement in the show - particularly from the many not-for-profit clubs/schools/organisation in the rural area.

We know that we will have greater show infrastructure costs in several areas than previous years. One will be the hire of a large tented Show Hall with a floor and air-conditioning. This is because the Reserve Community Hall will no longer be available to us. The second expenditure prediction is around the need to institute electronic ticketing at our 4 entry gates. This entails setting up a ticketing system, purchasing the hardware required, and getting reliable WIFI to the gates. We need to move to electronic ticketing in order to fulfill COVID requirements of checking-in, and we certainly need to be able to record accurate figures of our attendee numbers.

In the past, Litchfield Council has been an ardent supporter of the Freds Pass Rural Show, offering sponsorship and in-kind contributions, which are vital to the success of the show. The committee would like to express its thanks to the Council for much appreciated past support. We are aware that the last

Freds Pass Rural Show Inc - Ph: 0488 588 202 - PO Box 639 Coolalinga NT
0839

Email: info@fredspassruralshow.com.au
Website: www.fredspassruralshow.com.au

funding agreement with the Council has now expired. However, we would like to continue our past good relationship, and request that the Council renew their funding and support.

The FPRS committee would like to suggest continued support from the Council in the following ways –

- A 3 year funding agreement, with the following schedule – Year 1 \$45,000, Year 2 \$47,000 and Year 3 \$49,000, and
- In-kind contributions – which in the past have been the provision of a water truck and some grading of the internal dirt roads just before the show. You may have some other ideas here too.

We realise that with the upcoming local government elections no decisions will be made until the new council sits.

Please do not hesitate to contact me if you need further information.

Kind regards,



Shirley Preston

Chairman

Freds Pass Rural Show Inc

Freds Pass Rural Show Inc - Ph: 0488 588 202 - PO Box 639 Coolalinga NT
0839

Email: info@fredspassruralshow.com.au
Website: www.fredspassruralshow.com.au





COUNCIL REPORT

Agenda Item Number:	14.02.06
Report Title:	Howard Park and Knuckey Lagoon Recreation Reserves Committee Minutes
Author:	Nicky McMaster, Manager Communications and Engagement
Recommending Officer:	Daniel Fletcher, Chief Executive Officer
Meeting Date:	16/11/2021
Attachments:	A: Knuckey Lagoon Committee Minutes 21102021 Unconfirmed B: Howard Park Committee Minutes 18102021 Unconfirmed

Executive Summary

The purpose of this report is to provide an update to Council on the activities of the Howard Park Recreation Reserve and Knuckey Lagoon Recreation Reserve Committees.

Recommendation

THAT Council receive and note:

1. the unconfirmed Knuckey Lagoon Committee Minutes of 21 October 2021, at Attachment A
2. the unconfirmed Howard Park Committee Minutes of 18 October 2021, at Attachment B

Background

In accordance with Section 101(4) of the Local Government Act 2019, the minutes for meetings of Council committees are required to be tabled at the following Council meeting. There are no recommendations requiring Council decisions arising from either Committee's minutes.

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

Compliance with the Local Government Act 2019.

Risks



Service Delivery

Failure to comply with Council’s regulatory obligations could negatively impact on the Council’s reputation.

Governance

Failure to provide committee meeting minutes to Council and making them available to the public via Council’s website, would place Council’s commitment to regulatory compliance at risk.

Community Engagement

Reserve committees, such as Knuckey Lagoon and Howard Park Recreation Reserve committees, provide Council with regular opportunities to engage with the community for the betterment of Councils reserves.



COMMITTEE MINUTES

KNUCKEY LAGOON RESERVE MEETING

**Minutes of Committee Meeting
held at Knuckey Lagoon Reserve, Knuckey Lagoon
on Thursday 21 October at 5:30 pm**

1 Opening of Meeting

The Chair opened the meeting at 5:43pm and welcomed members.

2 Attendees

Rachael Wright	Litchfield Council North Ward Councillor (Chair)
Mathew Salter	Litchfield Council Deputy Mayor
Cate-Linne Fraser	Berrimah Scouts
Peter Clee	Darwin Amateur Radio Club
Saramat 'Tou' Ruchkaew	NT Thai Association
Tovew Taggell	Running Club / Knuckey Lagoon Resident
Russ Swan	Top End Gem & Mineral Club
Nicky McMaster	Litchfield Council Manager Communications and Engagement
Sarah Thomas	Litchfield Council Reserves and Community Programs Officer
Lorna Blake	Resident

3 Apologies and Leave of Absence

Nil

4 Disclosures of Interest

Any member of the Committee who may have a conflict of interest, or a possible conflict of interest regarding any item of business to be discussed at the Committee meeting should declare the conflict of interest to enable the



Committee to manage the conflict in accordance with its obligations under the Local Government Act.

5 Confirmation of Minutes

That the Committee confirm the minutes of the Meeting held on Thursday 8 July 2021, with the following amendment

Amendment to 6.2 – Russ reported the tripping hazard

Moved: Peter Clee – as amended

Seconded: Tou

6 Business Arising from the Minutes

Meeting Date	Action	Action By	Notes	Status
4/10/2019	Storage Shed	Council	Community Development Program Leader to check Jess's email from Tove last year re: electrical quotes.	In Progress
			Slab development email Manager Infrastructure and Assets request to install extra conduits in slab for cabling for future development.	
			Community Development Program Leader to email group revised Shed estimated time of installation/completion date by 5 August 2021.	Shed Complete
21/10/2021			Shed design information emailed to committee.	
			Russ – Official complaint regarding the change of location from original plan. Russ emailed his preference and feels it was ignored. Russ would like to suggest	Ongoing



			<p>enclosing a small area under cover of the main building.</p> <p>Future project electricity and path – possible CBF grant.</p> <p>Roller doors don't close properly – warranty.</p> <p>Trees pushed back from back of shed and crushed rock.</p>	<p>Council investigating</p> <p>Ongoing</p>
<p>8/7/2021</p> <p>21/10/2021</p>	Financial Breakdowns	Council	<p>Obtain & report back to committee detailed breakdown for:</p> <ul style="list-style-type: none"> Finance repairs & maintenance overspend. Income Generation <p>Finance breakdown required</p>	Council to provide
<p>8/7/2021</p> <p>21/10/2021</p>	Tree Maintenance Budgets	Council	<p>Provide feedback to committee regarding the Tree Maintenance budgets. Are they continuing as individual reserve line items or as one large pool of funding for use across all Litchfield Council Reserves.</p> <p>Council advised that the tree budgets are individual across all reserves. They are for Council's Cemetery and Parks Program Leader to conduct audits and maintenance on trees. The funds are not available for the committee.</p>	Complete



			Scouts advised near the flagpole that there are trees that are impacting on their activities	Council to investigate
8/7/2021	Thai Association NTG Multicultural Funding & Lease commitments	Chair / Secretary	KLRR Chair to write letter of support for longer lease.	Ongoing
21/10/2021			Tou to provide info to Community Development Program Leader to assist in development of draft letter for Chairs approval and signature.	
			Council will investigate lease terms if any and work with the Chair to develop a letter of support for a longer lease to assist when applying for grant funding.	
8/7/2021	Power Board Panel Labelling	Council	Community Development Program Leader to discuss with Manager Infrastructure and Assets.	In Progress
21/10/2021			Council to contact contractor to rectify the issue.	
			Kate-Linne advised the labels aren't correct.	
			Council to investigate.	
8/7/2021	Trip hazard between shade area and undercover area	Council	Community Development Program Leader to provide photo to Manager Infrastructure and Assets to follow up and provide advice to rectify and smooth out area.	Ongoing
21/10/2021			Council to follow up urgently.	
21/10/2021	Income generating ideas	Committee	Members to think about options to generate income and report back to the next meeting.	Ongoing



			Appropriate dates for activities.	
21/10/2021	Entrance signs	Council	Investigate the individual signs that were agreed to be on the entrance sign. Look at options to update the entrance, grass etc. Signs on the main roads for the recreation reserve – contact NTG on approval for these.	Ongoing
21/10/2021	Gutters cleaning before the wet	Council	Council to arrange for this to occur.	Ongoing

7 General Business

7.1 Monthly Finance Report – Committee would like to separate tree maintenance budget from Reserve budget.

7.2 Welcome to new group leader Jacques (Jac) Retief taking over from Cate-Linne Fraser – Moved to the next meeting agenda

7.3 Grand opening for shed – plans and date – Opening for the new shed scheduled for the next Committee meeting. Council to organise invites to Mayor and Councillors. Committee to look at invites to interested groups.

8 Other Business

Posters on the wall – Council to investigate installing a cork board or similar on a wall inside for announcements, posters etc.

9 Next Meeting

Next meeting Thursday 9 December 2021 at 5:30pm Knuckey Lagoon Recreation Reserve.

10 Close of Meeting

The Chair closed the meeting at 6:27 pm



COMMITTEE MINUTES

HOWARD PARK RESERVE COMMITTEE MEETING

**Minutes of the Howard Park Reserve
Committee meeting held at Howard
Park Reserve, Howard Park on
Monday 18 October 2021 at 5.15pm**

1 Opening of meeting

5:18pm

2 Attendees

Mathew Salter	Litchfield Council Deputy Mayor (Chair)
Gerry Wood	Resident
Gerard Maley	Resident, Member for Nelson
Gerard Rosse	Resident
Fletcher Austin	Resident
Maxine Way	Resident, Howard Springs Volunteer Fire Brigade
Sarah Thomas	Reserves and Community Programs Officer
Nicky McMaster	Manager Communications and Engagement
Rodney Jessup	Manager Infrastructure and Assets

3 Apologies and leave of absence

Nil

4 Acknowledgement of traditional ownership

We acknowledge the traditional custodians of this land on which we meet. We pay our respects to the Elders past, present and future for their continuing custodianship of the land and the children of this land across generations.

5 Disclosures of interest

The Chair advised that any member of the Committee who may have a conflict of interest, or a possible conflict of interest regarding any item of business to be discussed at the Committee meeting should declare the conflict of interest to enable the



Committee to manage the conflict in accordance with its obligations under the Local Government Act.

No conflicts were declared.

6 Confirmation of minutes

That the Committee confirm the minutes of the meeting held on Monday 12 July 2021.

Moved: Maxine Way

Seconded: Gerard Rosse

7 Business Arising from the Minutes

Meeting Date	Action	Responsible	Notes	Status
11/4/2017	Leases – NTPFES and Scouts	Council Maxine Gerry	Leases provided and requiring signatures. Following up. Maxine to follow up with NTPFES – Maxine has passed the leases on, and they are awaiting further advise Gerry to follow up with Scouts – Gerry has passed it on, and they are awaiting further advise from the head office	Ongoing
12/10/2017 18/10/2021	Source BBQ options and suitable location	Council	Council to liaise with Rotary to see if they are still keen to finance the new BBQ. Ellie to refer to Jess's emails to find contact. See if there are other groups that use the Reserve would be interested in applying for a grant.	Ongoing
17/06/2019	Pedestrian Access to Reserve	Council and Committee members	Gerard's figures from ADG on costs for walkway. Plans provided and discussed. Plans not correct – Rodney to assess. Council to	Ongoing

2021			<p>feedback.</p> <p>Rodney to investigate options, plans and estimates of costs and report back to the next meeting if possible</p>	
2021	NT Cricket – Gerry Wood prices on cricket nets. 3.6m high (27m)	Gerry Wood	<p>CDPL see Council's support in principle for the updated nets based on Committee obtaining full funding.</p> <p>Gerry to draft grant application for new nets.</p> <p>Gerry met with Council and Darren from NT Cricket. Darren requested an extra metre on nets for left-handed batsman.</p> <p>Darren advised on grass roots funds available for up to \$10,000 in funding. However this grant needs to be through a club.</p> <p>Gerry spoke with Alison for Southern Districts to apply.</p> <p>Gerry to report back to the</p>	Ongoing



Meeting Date	Action	Responsible	Notes	Status
10/04/2021 18/10/2021	Malak Pop Up Market Contact	Council	<p>Council to continue working with Malak markets to confirm proposed market dates.</p> <p>Committee acknowledged that the advertising wasn't the best.</p> <p>Council spoke with contact.</p> <p>Letter to be sent asking for dates and more variety and increase stalls. Engage in rural local businesses (invite freds pass markets)</p> <p>Suggest to contact sponsors for lights etc.</p> <p>Send draft letter to committee for approval.</p> <p>Two events, May and August.</p>	Ongoing

7 General business

Manager Communications and Engagement to investigate excessive water use.

Gerry to look at the trees that are touching buildings.

Gerry has reordered a new graffiti sign. Will let Council know when it has been complete.
Possibility of setting up temporary cameras to see the offenders.

Softfall being pulled away deliberately. Council to investigate to ensure no further damage.



8 Other business

Captain of Bushfires wanting to look at installing an awning in front of the engine bays. Create shade and cover the personal access doors. – Advised they need to submit plans to Council for approval.

Mathew Salter would like to investigate the opportunity to refurbish Whitewood Hall as a longer-term project. Council to investigate the stages and options. Possible grant, plans, engineering viewing the building. Need to try and locate the original plans and current status of the building. Consider asking the user groups if they are moving and why and if they would use it if it was refurbished?

9 Next meeting

Monday 6 December 2021 at 5.15pm

Howard Hall, Howard Park Recreation Reserve

10 Close of meeting

6:10pm

Unconfirmed



COUNCIL REPORT

Agenda Item Number:	14.02.07
Report Title:	COR01 Media Policy
Author:	Nicky McMaster, Manager Communications and Engagement
Recommending Officer:	Daniel Fletcher, Chief Executive Officer
Meeting Date:	16/11/2021
Attachments:	A: COR01 Media Policy

Executive Summary

This report presents the amended COR01 Media Policy to Council for adoption. The amended policy allows for position title changes and a more succinct flow of information.

Recommendation

THAT Council adopt the amended COR01 Media Policy.

Background

The COR01 Media Policy was adopted by Council in 2017.

The media plays an important role in disseminating information to the public.

The Media Policy provides an effective and efficient framework to Elected Members and staff to facilitate the timely dissemination of information.

This Policy also provides information to assist with responses to media and to also provide the public with information that supports Council's vision.

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

Nil

Risks



Community

There is a moderate risk to Council’s reputation in the absence of appropriate direction and guidance for Elected Members and staff regarding the media.

Community Engagement

Nil



Name	COR01 Media Policy
Policy Type	Council
Responsible Officer	Chief Executive Officer
Approval Date	17/05/2017 16/11/2021
Review Date	16/05/2024 11/11/2025
Document ID	LITCHFIELD-1844278000-1

1. Policy Purpose

This policy outlines a framework for guiding [Litchfield Council](#) Elected Members and staffs' ~~in~~ interactions with the media [and use of social media](#), to ensure consistent messaging, brand and reputation management ~~and the appropriate use of social media~~.

2. Policy Scope

[2.1.1 This policy applies to Litchfield Council Elected Members and staff for any media interaction and social media use.](#)

[2.1.2 Media activities assist Council in delivering information to the public. Media activities may be generated proactively by Council or may be produced in response to an enquiry or request from a media organisation or stakeholder.](#)

[2.1.3 Public comment includes public speaking engagements; speaking on radio or television, views expressed to newspapers, magazines, websites, social media, books, journals, notices or other such forum where it might be expected that the publication of the comment will be accessible to part or all of the Litchfield or Local Government community.](#)

~~This policy applies to Elected Members and staff for any media interaction including social media use.~~

3. Policy Definitions

For the purposes of this Policy, the following definitions apply:

'Social Media'	All online media forums, for example, Facebook, Twitter, Instagram etc.
'Written Approval'	In the form of email or in the need of urgent response a text message or email.

4. Policy Statement

~~4.1 This Policy provides a framework for Elected Members and staff to interact with the media.~~

~~4.2 Media activities assist Council in delivering information to the public. Media activities may be generated proactively by Council or may be produced in response to an enquiry or request from a media organisation or stakeholder.~~

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~~4.3 This Policy also outlines procedures for Elected Members and Council staff who, acting as an appointed representative of Litchfield Council, make public comment or provide information to the media about Council activities.~~

~~4.4 Public comment includes public speaking engagements; speaking on radio or television, views expressed to newspapers, magazines, websites, social media, books, journals, notices or other such forum where it might be expected that the publication of the comment will be accessible to part or all of the Litchfield or Local Government community.~~

~~4.1 Where possible, the [Community Engagement Advisor Manager Communications and Engagement](#) will be the first point of contact to liaise with media, provide information and arrange for the preparation of media releases and briefings prior to interviews.~~

~~4.2 In their absence the Chief Executive Officer or a delegated Officer should be the first point of contact.~~

5. Policy

5.1 Media Representation

~~5.1.1. The Mayor is the primary spokesperson for Litchfield Council when addressing strategic and Council policy matters.~~

~~5.1.2. A decision on whether the issue should be addressed by an Elected Member or Staff would be made in the first instance by the CEO in conjunction with the Mayor.~~

~~5.1.3. The Chief Executive Officer is the principal spokesperson for Litchfield Council when addressing operational matters.~~

~~5.1.4. The Chief Executive Officer [and Mayor](#) may delegate this authority to make public comment to the media on specific matters relating to administration or Council activities on a case by case basis.~~

5.1 Speaking on Behalf of Council

~~5.1.1. The Mayor is the primary spokesperson for Litchfield Council when addressing strategic and Council policy matters.~~

~~5.1.2. The Mayor may delegate to the Deputy Mayor to make public comment to the media if unavailable, on a case by case basis.~~

~~5.1.3. The Chief Executive Officer is the principle spokesperson for Litchfield Council when addressing operational matters.~~

~~5.1.4. The Chief Executive Officer may delegate this authority to make public comment to the media on specific matters relating to administration or Council activities on a case by case basis.~~

5.2 Media Contact Point

~~5.2.1 The Community Engagement Advisor, in the Office of the Chief Executive, is the first point of contact to liaise with media, provide information and arrange for the preparation of media releases and briefings prior to interviews.~~

5.2 Council staff Dealing with and Media

~~5.2.1 Litchfield Council employees are not authorised to speak to the media on any Council issue unless specifically authorised to do so by the Chief Executive Officer.~~

~~5.2.2 Litchfield Council employees should not talk to the media on any Council matter including personal social media communications which directly relate to issues arising from operations at Litchfield Council.~~

~~5.2.23 Litchfield Council employees must refer media enquiries directly to the Community Engagement Advisor/Manager Communications and Engagement.~~

5.5.1 When responding to media enquiries it is important to respond in a timely manner. Where practical, a response by the close of business on the day of the enquiry is required. If not practical, the owner of the media request should be contacted and advised of the delay.

5.5.2 Media responses will be forwarded to the Elected Members and Executive Team along with the details of the media enquiry for their information.

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5.3 Council staff

~~5.3.1 Litchfield Council employees are not authorised to speak to the media on any Council issue unless specifically authorised to do so by the Chief Executive Officer.~~

~~5.3.2 Staff members should not talk to the media on any Council matter including personal social media communications which directly relate to issues arising from operations at Litchfield Council.~~

~~5.3.3 Employees must refer media enquiries directly to the Community Engagement Officer.~~

5.3 Elected Members Dealing with and Media

~~5.3.1 Elected Members are to inform the Chief Executive Officer, prior to making comment, if they are approached by any media to comment on Council business.~~

~~5.3.2 When approached by media, Elected Members must not make comment until they have written approval from the Mayor.~~

5.4 Local Government Caretaker Period

5.4.1 In the caretaker period prior to a Council Election, the Elected Members section in this policy is null and void

5.4.2 When seeking media attention, Elected Members must make it clear that they are speaking for themselves and not on behalf of Litchfield Council.

5.4.3 When Elected Members are approached directly by media to comment on any issue to do with Litchfield Council operations, they are encouraged in the first instance attempt to notify the Community Engagement Advisor which will assist them with relevant key messages and accurate information before releasing any details to the media.

5.4.4 As representatives of the community, Elected Members need to be responsive to community views whilst communicating the decisions of Council. Elected Members must:

- Show respect for Council's decision-making processes
- Ensure confidential information is not to be communicated until it is no longer treated as confidential
- Ensure all information concerning Council decisions, policies and operational matters is conveyed accurately
- Take care when expressing personal views that they do not show disrespect for the Council, its decisions, decision making process or other elected members and staff.

5.4 Elected Members

5.4.1 Elected Members are encouraged to inform the Chief Executive Officer if they are seeking media attention for themselves.

5.4.2 When seeking media attention, Elected Members should make it clear that they are speaking for themselves and not on behalf of Litchfield Council.

5.4.3 When Elected Members are approached directly by media to comment on any issue to do with Litchfield Council operations, they should in the first instance attempt to notify the Community Engagement Advisor which will assist them with relevant key messages and accurate information before releasing any details to the media.

5.4.4 As representatives of the community, Elected Members need to be responsive to community views whilst communicating the decisions of Council. Elected Members should:

- Show respect for Council's decision-making processes
- Ensure confidential information is not to be communicated until it is no longer treated as confidential
- Ensure all information concerning Council decisions, policies and operational matters is conveyed accurately
- Take care when expressing personal views that they do not show disrespect for the Council, its decisions, decision making process or other elected members and staff.

Commented [NM1]: This should be removed and covered in the Caretaker Policy

~~5.4.5 Media responses will be forwarded to the Elected Members along with the details of the media enquiry for their information.~~

5.5 General Media

~~5.5.1 When responding to media enquiries it is important to respond in a timely manner. Where practical, a response by the close of business on the day of the enquiry is required. If not practical, the owner of the media request should be contacted and advised of the delay.~~

~~5.5.2 Media responses will be forwarded to the Elected Members and Executive Team along with the details of the media enquiry for their information.~~

5.6 Social Media

5.6.1 Social media is an immediate method of communicating with stakeholders, media and the general public.

5.6.2 Ensuring information is correct and consistent is paramount when posting on social media sites.

5.6.3 Litchfield Council website is the primary internet presence for the dissemination of information to stakeholders and the community. Social media use should fall into the following categories:

- A channel for broadcasting time-sensitive information as quickly as possible (e.g. cyclone preparedness and emergency situations)
- A medium to engage with the community
- A form of marketing to increase Council's ability to distribute messages to the widest possible audience

~~5.6.4 When Elected Members post on social media regarding Council operational matters they are encouraged to communicate with the Chief Executive Officer or the Community Engagement Advisor.~~

~~5.6.5~~ 5.6.4 Elected Members do not need to contact Council when posting on their personal pages; however, if the comments or posts are regarding operational matters or decisions of Council, it should be clear that they are speaking for themselves and not on behalf of Litchfield Council.

~~5.6.65.6.5~~ 5.6.5 Litchfield Council staff must not engage in social media as a representative of Council unless prior authorisation has been sought from the Chief Executive Officer, however, they can express their views as a member of the community.

~~5.6.75.6.6~~ 5.6.6 Litchfield Council staff must not post or comment on any material that might otherwise cause damage to Litchfield Council's reputation or bring it into disrepute.

5.7 Media Releases

5.7.1 All Council media releases must be signed off by the Chief Executive Officer.

5.7.2 Media releases will only be distributed to media outlets by the Community Engagement Advisor-Manager Communications and Engagement or the Office of the Chief Executive.

5.7.3 All media releases will be placed on the Council website and provided to Elected Members as soon as practicable.

~~5.7.3~~

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6 Associated Documents

Code of Conduct (Employees)

Code of Conduct for Elected Members

7 References and Related Legislation

Nil

8 Review History

Date Reviewed	Description of changes (Inc Decision No. if applicable)



COUNCIL REPORT

Agenda Item Number:	14.02.08
Report Title:	COR02 Community Engagement Policy
Author:	Nicky McMaster, Manager Communications and Engagement
Recommending Officer:	Daniel Fletcher, Chief Executive Officer
Meeting Date:	16/11/2021
Attachments:	A: COR02 Community Engagement Policy

Executive Summary

This report presents the amended COR02 Community Engagement Policy to Council for adoption. The amended policy allows for position title changes.

Recommendation

THAT Council adopt the amended COR02 Community Engagement Policy.

Background

The COR02 Community Engagement Policy was adopted by Council in 2017.

Council is committed to effectively engaging its community in decisions that impact on their lives. This commitment is articulated in Council's Strategic Plan 2018-2022 with Engage Our Community identified as a key enabler to Council achieving its strategic vision - that *Litchfield is the best place to live in the Top End*.

The Community Engagement Policy is evidence that Council understands and intends to continue to follow best practice when designing and implementing its public engagement activities.

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

Nil

Risks



Community

There is a low risk to Council’s reputation if community engagement is not conducted in accordance with the policy. Council could be perceived to lack openness and transparency.

Community Engagement

Nil



Name	COR02 Community Engagement Policy
Policy Type	Council
Responsible Officer	Chief Executive Officer
Approval Date	22/11/2017
Review Date	14/11/2021
Document ID	

1. Policy Purpose

This Policy outlines the principles and minimum standards of community engagement at Litchfield Council. It demonstrates Council's commitment to providing genuine and effective community engagement processes.

2. Policy Scope

This policy applies to Councillors, staff, consultants and contractors responsible for undertaking community engagement for or on behalf of Litchfield Council.

3. Policy Definitions

For the purposes of this Policy, the following definitions apply:

'IAP2'	<ul style="list-style-type: none"> International Association of Public Participation
Executive <u>Leadership</u> Team	<ul style="list-style-type: none"> Directors <u>General Manager</u> Infrastructure and Operations and Community and Corporate Services <u>Business Excellence</u>
<u>Senior</u> Leadership Team	<ul style="list-style-type: none"> Managers and Advisors

4. Policy Statement

4.1 This policy provides the framework for Litchfield Council's community engagement

4.1.1 Litchfield Council is committed to effective community engagement, embracing ongoing communications with our community.

4.1.2 Council recognises that effective community engagement is vital to good governance and enables good decision making. Council is dedicated to working with our community to ensure the essence and beauty of Litchfield is retained whilst allowing provision for growth.

4.1.3 Community engagement can be both proactive and responsive. Proactive community engagement can include but is not limited to; how Litchfield Council seeks and uses community input when making a decision, regulatory processes and major projects. Responsive community engagement can occur with Council undertaking services and activities to build and maintain relationships with community members and stakeholders.

4.1.4 Community engagement allows community members to provide feedback and in turn have influence in Council decisions, and see their influence on, the decisions and actions that impact their lives and our community's future.

4.2 Community engagement process

4.2.1 Litchfield Council will consider undertaking community engagement in the following situations:

- To enhance a decision or action using the community's input
- To assist with the identification of community needs and aspirations
- Where the community could be impacted by a project, initiative, service or decision
- When required by resolution or legislation

4.2.2 Community engagement processes undertaken by Litchfield Council are guided by the standards developed by the IAP2.

4.2.3 Council staff responsible for planning and delivering community engagement will determine the most appropriate level of community participation required, depending on the nature, sensitivity and complexity of the project/initiative being delivered. Community engagement is also dependent on the level of community impact or interest and additional external requirements. Flexibility is required when making decisions regarding the level of community engagement to provide for individual and unique activities.

4.2.4 Community engagement processes initiated by Litchfield Council will be accessible, inclusive, transparent, accountable and appropriate for the scope of the project. The selection of community engagement tools will be guided by the IAP2 best practice standards and specific advice from the Community Engagement Advisor staff who are qualified in community engagement.

4.2.5 All community engagement activities will be available on Council's website. Other communication channels will be considered and will be selected according to the unique requirements of each project.

4.2.6 The results-feedback from community engagement will be provided to the decision makers in a fair, balanced and appropriate way in accordance with privacy and record management requirements.

4.2.7 In the interest of the whole community, Council has the responsibility to consider, where necessary, other sources of information in conjunction with community input, such as legislative requirements, specialist or expert reports and local or national research studies, in the decision-making process.

4.3 Roles and responsibilities

4.3.1 Councillors will; advocate the interests of the local community to governments, act as a responsible partner in government by considering the needs of the community and fostering community cohesion and encouraging active community participation in the community engagement activities.

4.3.2 The Chief Executive Officer will; lead the organisation to further embed a culture that strives for and supports community engagement processes and outcomes, encourage a positive, proactive attitude towards community engagement and ensure Council is providing adequate ability to implement the Community Engagement Policy.

4.3.3 Executive Leadership Team and Senior Leadership Team together will; lead each division to create a strong community engagement culture that supports success, foster a positive attitude towards community engagement and appropriately resource community engagement projects.

4.3.4 Senior Leadership Team will; assess projects for community engagement requirements and opportunities in the planning stage, liaise with staff qualified in community engagement as early as possible, provide information to the Manager Communications and Engagement about the purpose and objective of any community engagement activity and the opportunity for the community to influence the outcome and ensure feedback is captured, recorded and considered appropriately.

~~4.3.4 Leadership Team will; assess projects for community engagement requirements and opportunities in the planning stage, liaise with the Community Engagement Advisor as early as possible, provide information to the Community Engagement Advisor about the purpose and objective of any community engagement activity and the opportunity to influence the outcome and ensure feedback is captured, recorded and considered appropriately.~~

4.3.5 ~~The Community Engagement Advisor~~ Staff qualified in community engagement will; build capacity within Council to further embed community engagement practice^s, provide advice and guidance regarding good practice in community engagement, work with teams to plan, develop and evaluate engagement programs and champion, develop and implement engagement tools and platforms that are diverse and inclusive across a variety of demographics.

4.4 Risk implementations

4.4.1 Failure to undertake community engagement poses a risk to Council's reputation and may cause a level of mistrust amongst members of the community which could result in unsuccessful activities or project outcomes.

4.4.2 Decisions that are not made with the appropriate ~~and important~~ community input could result in the perception of Council not being transparent and having made a decision

~~regardless of the community's thoughts, stating to the community how things will be done rather than seeking feedback and support in decision making.~~

5 Associated Documents

Community Engagement Strategy 2017-2021
Community Engagement Action Plan 2017 - 2021

6 References and Related Legislation

IAP2 [Framework](#)

7 Review History

Date Reviewed	Description of changes (Inc Decision No. if applicable)

COUNCIL REPORT

Agenda Item Number:	14.03.01
Report Title:	Summary Planning & Development Report October 2021
Author:	Mark Hogan, Planning & Development Program Leader
Recommending Officer:	Leon Kruger, General Manager Infrastructure & Operations
Meeting Date:	16/11/2021
Attachments:	A: PA2021/0351 B: PA2021/0307 C: PA2021/0341 D: PA2021/0351 E: PA2021/9009

Executive Summary

The purpose of this report is to provide to Council a summary of planning and development applications received, and comments provided, for the period of 1 October to 31 October 2021.

The following is a summary of all planning and development applications received and comments provided during the noted period.

Type of Application	No. Applications
Development Applications	4
Mining Applications	0
Sale, Lease, or Occupation of Crown Land Applications	0
Liquor Licence Applications	1
Water Licence Applications	0
Clearances for Development Conditions	0
Stormwater/Driveway Plan Reviews	11
Works Permits	12

Letters of comment for the noted applications are provided for information in the attachments to this report.

Recommendation

THAT Council:

1. receive the Summary Planning and Development Report October 2021; and
2. note for information the responses provided to relevant agencies within Attachments A - E for this report.

Background

DEVELOPMENT APPLICATIONS

The *NT Planning Act* requires that all Development Applications within Council's municipality be advertised to Council for comment. Council assesses whether the application meets Council's requirements for roads, drainage, and waste collection and comments on the expected impact of the proposal on the amenity of Council's residents.

The following is a summary of all Development Applications received and comments provided during the noted period.

Council Outcome on Development Applications	No. Applications
Development applications supported, subject to specific issues being adequately addressed	1
Development applications supported, subject to normal Council conditions	2
Development applications not supported/objected to for reasons related to Council issues	0
Development applications objected to for reasons not directly related to Council issues	1
Note:	

For all development applications, should the applications be approved by the consent authority, the applications may be subject to Council's normal Development Permit conditions in regard to areas of Council authority, including, but not necessarily limited to, access and stormwater drainage.

Development Applications supported, subject to specific issues being adequately addressed

The table below describes the Development Applications that are supported by Council only if the specific issues outlined are adequately addressed.

Application Number, Address, & Attachment Reference	Purpose and Summary	Specific Issues to be Addressed
PA2021/0351 142 Thorngate Road, Holtze, Hundred of Bagot Attachment A	Subdivision of 3 existing parcels to create an 8 lot industrial subdivision in an area zoned for future industrial development.	Support is predicated on the resolution of legal access to a large parcel of land referred to by the Applicant as 'Lot H,' prior to undertaking that stage of the subdivision. A drainage and detention basin to be constructed would not be accommodated for by Council in any arrangement for ownership and/or management responsibilities.

Development Applications supported without special conditions

The table below describes the Development Applications supported / not objected to by Council that have standard conditions only.

Application Number, Address, and Attachment Reference	Purpose and Summary	Reasons for Support/non-Objection
PA2021/0307 630 Darwin River Road, Darwin River, Hundred of Cavenagh Attachment B	Construction of an 'Emergency Services (Fire) Facility,' and to bring existing ancillary structures into compliance on an existing lot.	Council supports the provision of important emergency services facilities and the requisite infrastructure developed to benefit the region, its first responders and volunteer community. The proposal will not adversely impact on amenity or Council infrastructure.
PA2021/0341 620 Strangways Road, Humpty Doo, Hundred of Strangways Attachment C	Subdivision for the creation of two lots in the Zone Rural Living (RL).	Each proposed lot is well in excess of the minimum lot size as specified for the Zone RL, consisting of over 2ha with more than the minimum of 1ha of unconstrained land.

Development Applications not supported / objected to

The table below describes the Development Applications objected to or not supported for reasons not directly related to Council issues

Application Number, Address, and Attachment Reference	Purpose and Summary	Reasons for non-Support / Objection
PA2021/0351 142 Thorngate Road, Holtze, Hundred of Bagot Attachment D	Application for a shed to be built with reduced side setback of seven-metres where a ten-metre setback is stipulated.	A basis as to why a ten-metre setback cannot be achieved on the site has not been established by the Applicant. Mitigation of the visual mass of the structure and its amenity impacts to the northern neighbour as a result of a reduced setback have not been proposed.

Liquor Licence Applications

The table below describes the Development Applications supported / not objected to by Council that have standard conditions only.

Application Number, Address, and Attachment Reference	Purpose and Summary	Reasons for Support/non-Objection
PA2021/9009 565 Pioneer Drive, Herbert, Hundred of Strangways Attachment E	Special Event Authority Liquor Licence for the Humpty Doo Rural Area Golf Club's 'Annual Mango Madness Golf Tournament.'	The annual event has received Council support in the past, is run safely and encourages economic activity and community wellbeing.

ASSESSMENT OF PLANS/REPORTS/DRAWINGS FOR CLEARANCE OF DEVELOPMENT PERMIT CONDITIONS

Council reviews plans, reports, and drawings as part of the process to clear conditions on Development Permits to ensure that the proposals meet Council requirements and will not have adverse effects upon neighbouring properties or Council assets. Examples include driveway crossover plans, stormwater drainage plans, environmental management reports, traffic impact assessments, and infrastructure designs. The following table notes the number of requests for assessment received by Council for clearance of conditions for plans/ reports/drawings during the noted period.

No. Requests for Assessment of Plans/Reports/Drawings for Clearance of Development Permit Conditions
0

STORMWATER DRAINAGE AND/OR DRIVEWAY CROSSOVER APPLICATIONS FOR BUILDING CERTIFICATION

Council reviews stormwater drainage plans and driveway crossovers for structures requiring building certification to ensure that the proposals meet Council requirements and will not have adverse effects upon neighbouring properties or Council assets. The following table notes the number requests for assessment for building certification that Council received during the noted period.

No. Building Certification Applications
11

WORKS PERMIT APPLICATIONS

Council reviews Works Permit applications for all works undertaken by external parties within Council's road reserve to ensure the works meet Council requirements and will not have adverse effects upon the public using the road reserve or Council assets. The following table notes the number of Works Permit applications received by Council during the noted period.

No. Works Permit Applications
12

Links with Strategic Plan

A Great Place to Live - Development and Open Space

Legislative and Policy Implications

Not applicable to this report

Risks



No identified risks applicable to this report

Community Engagement

Not applicable to this report

11 October 2021

Development Assessment Services
Department of Infrastructure, Planning and Logistics
GPO Box 1680
Darwin NT 0801

RE: Letter of Comment Development Application

**PA2021/0351, 142 Thorngate Road, Holtze, Hundred of Bagot
Subdivision of 3 existing parcel to create 8 lots**

Thank you for the Development Application referred to this office on 17 September 2021, concerning the above. This letter may be tabled at Litchfield Council's next Council Meeting. Should this letter be varied or not endorsed by Council, you will be advised accordingly.

The following issues are raised for consideration by the Authority:

Council does not object to the granting of a Development Permit and wishes to provide the following comments:

- a) Council's support is predicated on the resolution of legal access to the parcel identified in plans submitted by the Applicant as 'Lot H,' prior to the undertaking of subdivision for that lot.
- b) Council acknowledges that the parcel identified in plans submitted by the Applicant as 'Lot C' is to be engineered for use of drainage and a detention basin and:
 - i. Council would not seek to accommodate any arrangement for ownership and/or management of that use or any of the associated drainage infrastructure. It is expected that the Applicant would maintain ownership and management responsibilities for this lot and the associated infrastructure.
- c) Council supports the subdivision of land to support economic development and employment opportunities within the municipality.
- d) Council recognises that the subject land is specifically slated for industrial growth being zoned DV (Development), and the proposed purpose of the development is consistent with such a use.

Should the application be approved, the Council requests the following condition(s) be included as Condition(s) Precedent in any Development Permit issued by the consent authority:

- a) Prior to the endorsement of plans and prior to the commencement of works, Council approval of the road design for any proposed roads is required.
- b) A Traffic Management Plan for the construction phase of the development shall be submitted to and approved by Litchfield Council. The plan must address traffic control and haulage routes proposed for the development.
- c) A Traffic Impact Assessment Report, undertaken by a suitably qualified traffic engineer in accordance with the current Australian standards and guidelines with particular attention to vehicular, pedestrian, cyclist and public transport issues or opportunities, is to be submitted to and approved by Council.
 - i. The report should identify any necessary upgrades to the surrounding street network as a result of the development.
 - ii. The developer will be required to institute all required upgrade measures at no cost to Council.
- d) Prior to the endorsement of plans and prior to the commencement of works, designs for crossovers and driveways shall be submitted to and approved by Council's as meeting its requirements.
- e) Prior to the endorsement of plans and prior to the commencement of works, a schematic plan demonstrating the on-site collection of stormwater, and its discharge into Council's stormwater drainage system, shall be submitted to and approved by Council. The plan shall be as per the subdivision guidelines and include details such as:
 - i. Site levels and Council's stormwater drainage connection point(s).
 - ii. Demonstrated capability that stormwater run-off can be being discharged across the lot surface to the main drainage system or to an approved alternate connection. Council stormwater discharge guidelines do not allow concentrated discharge of stormwater to adjoining properties or the road reserve. All stormwater is to be channelled, piped or dispersed via sheet flow to the road reserve. The plan shall demonstrate that the drainage system is designed to cater for both initial storms and major storm events.
 - iii. The Applicant's plans shall demonstrate that no contaminated water shall enter any waterway or Council's drainage system.

Should the application be approved, the following condition(s) pursuant to the *Planning Act* and Council's responsibility under the *Local Government Act* are also recommended for inclusion in any Development Permit issued by the consent authority:

- a) A monetary contribution may be required to be paid to Litchfield Council in accordance with its development contribution plan.

- b) Engineering design and specifications for the proposed and affected roads, street lighting, stormwater drainage, vehicular access, pedestrian/cycle corridors, and streetscaping shall be to the technical requirements and approval of Litchfield Council, with all approved works constructed at the developer's expense.

Note: Design drawings shall be approved by Litchfield Council prior to construction of the works.

- c) Prior to finalisation of engineering design and specifications for the proposed and affected roads, a Road Safety Audit, prepared by a suitability certified traffic auditor, shall be approved by Litchfield Council.
- d) All existing or proposed easements or reserves required for the purposes of stormwater drainage, roads, access or for any other purpose, shall be made available free of cost to, and in favour of, Litchfield Council and/or neighbouring property owners.
- e) An Occupancy Permit under the Building Act must not be issued until consolidations/subdivisions have been completed and new titles issued for the lots.

Should the application be approved, the following notes are recommended for inclusion in any Development Permit issued by the consent authority:

- a) Litchfield Council's current Fees and Charges may apply to the above conditions. Additional information can be found at www.litchfield.nt.gov.au.
- b) A *Works Permit* is required from Litchfield Council before commencement of any work within the road reserve, which would include creation of any driveway crossover connecting to Litchfield Council's road network.
- c) Notwithstanding any approved plans, signs within Litchfield Council's municipal boundaries may be subject to approval under Interim Development Control Order 29.

If you require any further discussion in relation to this application, please contact Litchfield Council on 08 8983 0600.

Yours faithfully



Mark Hogan

Planning & Development Program Leader

06 October 2021

Development Assessment Services
Department of Infrastructure, Planning and Logistics
GPO Box 1680
Darwin NT 0801

RE: Letter of Comment Development Application

**PA2021/0307, 630 Darwin River Road, Darwin River, Hundred of Cavenagh
Emergency Services Facility**

Thank you for the Application referred to this office on 17 September 2021, concerning the above. This letter may be tabled at Litchfield Council's next Council Meeting. Should this letter be varied or not endorsed by Council, you will be advised accordingly.

The following issues are raised for consideration by the Authority:

Council supports the granting of a Development Permit for the following reasons:

- a) Council supports the provision of important emergency services facilities and the requisite infrastructure developed to benefit the region, its first responders and volunteer community.
- b) Council recognises that the application not only proposes a new compliant ancillary structure, it also adequately responds to the existing built environment.
- c) The proposal will not adversely impact on amenity or Council infrastructure and assets given Darwin River Road is an NT Government Road, and the size of the site as well as the proposed setbacks will more than adequately address all planning requirements.

If you require any further discussion in relation to this application, please contact Litchfield Council on 08 8983 0600.

Yours faithfully



Mark Hogan
Planning & Development Program Leader

08 October 2021

Development Assessment Services
Department of Infrastructure, Planning and Logistics
GPO Box 1680
Darwin NT 0801

RE: Letter of Comment Development Application

**PA2021/0341, 620 Strangways Road, Humpty Doo, Hundred of Strangways
Subdivision for the creation of two lots**

Thank you for the Development Application referred to this office on 22 September 2021, concerning the above. This letter may be tabled at Litchfield Council's next Council Meeting. Should this letter be varied or not endorsed by Council, you will be advised accordingly.

The following issues are raised for consideration by the Authority:

Council does not object to the granting of a Development Permit for the following reason(s):

- a) Each proposed lot is well in excess of the minimum lot size as specified for the Zone Rural Living (RL), consisting of over 2ha with more than the minimum of 1ha of unconstrained land.

Should the application be approved, Council requests the following condition(s) be included as Condition(s) Precedent in any Development Permit issued by the consent authority:

- a) Prior to the endorsement of plans and prior to the commencement of works, all proposed crossover and driveway plans shall be submitted to Council and meet all of Litchfield Council's design and construction requirements.
- b) Prior to the endorsement of plans and prior to the commencement of works, a schematic plan demonstrating any on-site collection of stormwater, and/or its discharge into Litchfield Council's stormwater drainage system, shall be submitted to and approved by Litchfield Council.

Should the application be approved, the following condition(s) pursuant to the *Planning Act* and Council's responsibility under the *Local Government Act* are also recommended for inclusion in any Development Permit issued by the consent authority:

- a) A monetary contribution is required to be paid to Litchfield Council in accordance with its development contribution plan.
- b) Any engineering design and specifications for proposed and affected roads, street lighting, stormwater drainage, vehicular access, pedestrian/cycle corridors, and streetscaping shall be to the technical requirements and approval of Litchfield Council, with all approved works constructed at the developer's expense.

Note: Design drawings shall be approved by Litchfield Council prior to construction of the works.

- c) All existing or proposed easements or reserves required for the purposes of stormwater drainage, roads, access or for any other purpose, shall be made available free of cost to, and in favour of, Litchfield Council and/or neighbouring property owners.

Should the application be approved, the following notes are recommended for inclusion in any Development Permit issued by the consent authority:

- a) Litchfield Council's current Fees and Charges may apply to the above conditions. Additional information can be found at www.litchfield.nt.gov.au.
- b) A *Works Permit* is required from Litchfield Council before commencement of any work within the road reserve, which would include creation of any driveway crossover connecting to Litchfield Council's road network.
- c) Notwithstanding any approved plans, signs within Litchfield Council's municipal boundaries are subject to approval under Interim Development Control Order 29.

If you require any further discussion in relation to this application, please contact Litchfield Council on 08 8983 0600.

Yours faithfully



Mark Hogan

Planning & Development Program Leader

28 October 2021

Development Assessment Services
Department of Infrastructure, Planning and Logistics
GPO Box 1680
Darwin NT 0801

RE: Letter of Comment Development Application

**PA2021/0318, 90 Edelsten Road, Howard Springs, Hundred of Bagot
Application for a shed to be built with reduced side setback**

Thank you for the Development Application referred to this office on 17 September 2021, concerning the above. This letter may be tabled at Litchfield Council's next Council Meeting. Should this letter be varied or not endorsed by Council, you will be advised accordingly.

The following issues are raised for consideration by the Authority:

Council does not support the granting of a Development Permit in its current form, and wishes to lodge the following submission under Section 49(3) of the *NT Planning Act* with the following comments:

- a) The proposed reduced side setback of seven-metres is inconsistent with the NT Planning Scheme 2020, which stipulates a requirement for a ten-metre setback. If a ten-metre setback were to be achieved through amended plans, the application would be supported.
- b) A basis as to why a ten-metre setback cannot be achieved on the site has not been established by the Applicant.
- c) Mitigation of the visual mass of the structure and its amenity impacts to the northern neighbour as a result of a reduced setback have not been proposed. If mitigating steps were undertaken, support for the application may be considered. Discretion in interpretation of the setback requirement might include:
 - i. A commitment to planting screening trees, vegetation or a hedge along the wall closest to the boundary; and,
 - ii. A letter of support from the impacted neighbour.

- d) Previous instances where discretion has been shown in the interpretation of reduced setbacks by Council cannot be relied upon for precedence given each application is assessed on its merits, at that point in time. Other instances may have:
 - i. Involved site specific attenuation measures to minimise impacts on factors such as amenity and/or stormwater run-off; and,
 - ii. Been made under terms of a previous Council.

Should the application be approved, the Council requests the following condition(s) be included as Condition(s) Precedent in any Development Permit issued by the consent authority:

- a) Prior to the endorsement of plans and prior to the commencement of works, a schematic plan demonstrating the development's impacts relating to on-site collection of stormwater and/or its discharge including into Litchfield Council's stormwater drainage system, must be submitted to and approved by Litchfield Council.

Should the application be approved, the following notes are recommended for inclusion in any Development Permit issued by the consent authority:

- a) Litchfield Council's current Fees and Charges may apply to the above conditions. Additional information can be found at www.litchfield.nt.gov.au.
- b) A *Works Permit* is required from Litchfield Council before commencement of any work within the road reserve, which would include creation of any driveway crossover connecting to Litchfield Council's road network.
- c) Notwithstanding any approved plans, signs within Litchfield Council's municipal boundaries are subject to approval under Interim Development Control Order 29.

If you require any further discussion in relation to this application, please contact Litchfield Council on 08 8983 0600.

Yours faithfully



Mark Hogan

Planning & Development Program Leader

19 October 2021

Liquor, Gaming & Racing
Licensing NT
Northern Territory Government
GPO BOX 1154
Darwin NT 0801

RE: Application for a Liquor Licence

**PA2021/9009, 565 Pioneer Drive, Herbert, Hundred of Strangways
Special Event Authority Liquor Licence**

Thank you for the Special Event Authority Liquor License application referred to this office on 11/10/2021, regarding the above. This letter may be tabled at Litchfield Council's next Council Meeting. Should this letter be varied or not endorsed by Council, you will be advised accordingly.

In this instance, a special event authority liquor licence for the Humpty Doo Rural Area Golf Club's 'Annual Mango Madness Golf Tournament' is not objected to by Litchfield Council.

For all liquor licence applications, Council wishes to note the recent investigations and reports into the consumption of alcohol in the Northern Territory and notes support for limiting the harmful use of alcohol in the community.

If you require any further discussion in relation to this application, please contact me on 08 8983 0600.

Yours faithfully



Mark Hogan
Planning & Development Program Leader



COUNCIL REPORT

Agenda Item Number:	14.03.02
Report Title:	Fleet, Plant and Equipment Asset Management Plan 2021-2031
Author:	Rodney Jessup, Manager Infrastructure and Assets
Recommending Officer:	Leon Kruger, General Manager Infrastructure and Operations
Meeting Date:	16/11/2021
Attachments:	A: Draft Fleet, Plant and Equipment Asset Management Plan B: Appendix B - Projected 10-Year Capital Renewal/Replacement Program

Executive Summary

This report presents to Council the *Fleet, Plant and Equipment Asset Management Plan 2021-2031* (Fleet AMP) for adoption. This plan will be included in the array of Litchfield Council Asset Management Plans prepared in accordance with the Asset Management Plan schedule and Asset Management Policy. It is recommended that Council adopt this plan and the proposed financial arrangements.

Recommendation

THAT Council adopt the Fleet, Plant and Equipment Asset Management Plan 2021-2031.

Background

As per the Asset Management Policy, Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best practices across all areas of the organisation. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.

Asset management practices impact directly on the core business of Council and appropriate asset management is required to achieve our strategic service delivery objectives.

This Fleet AMP has been prepared in accordance with the International Infrastructure Management Manual and utilising NAMS Plus, a tool provided by the Institute of Public Works Engineering Australasia. The plan is provided for a 10 year period however will be subject to review in accordance with any changes to Litchfield Council's Strategic Plan or Financial Plan or any other organisation change that may impact this Fleet AMP.

Links with Strategic Plan

A Well-Run Council - Modern Service Delivery

A Well-Run Council - Good Governance

Legislative and Policy Implications

This report and the attachments are prepared in accordance with Council's Asset Management Policy, Fleet and Plant Policy, Financial Policy and Procurement Policy and the Local Government (General) Regulations 2021.

Risks



Service Delivery

Council resources will be required to manage the maintenance and renewal programs. Resourcing levels and increases to service delivery pressure will be monitored.

Financial

Long term financial planning must consider maintaining the recommended renewal/replacement program to maintain the most efficient and economical renewal point of Council assets. Sufficient budget has not been allocated to the Fleet Replacement Budget for the 2021-2022 financial year to fully implement the first year of the renewal/replacement program. This will be addressed through either separate report/s for Council consideration, the budget review process, or delaying the renewals to next financial year.

Community Engagement

The Fleet AMP will be available on the Litchfield Council website once adopted.



FLEET, PLANT AND EQUIPMENT ASSET MANAGEMENT PLAN 2021-2031

DOCUMENT CONTROL

Document ID		Document Name			
InfoXpert Id:		Fleet, Plant and Equipment Asset Management Plant 2021 - 2031			
Version	Adopted	Revision Details	Author	Reviewer	Approver
1.01	30/10/2021	Initial plan prepared in conjunction with relevant staff for adoption by Council	Bikram Poudel	Rodney Jessup	Leon Kruger GMIO

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1. Introduction

What is this plan about?

Litchfield Council uses a range of fleet, plant and equipment assets (fleet assets) to deliver services that support Council's Strategic Plan. These include trucks, mowers, trailers, utilities, light vehicles, mobile/ fixed plant, large and small plant.

Council seeks to maximise value to ratepayers and ensure sustainable services by optimising the use of all Council fleet assets associated with waste transfer stations, cemetery, mobile work force and Council administration building.

This plan defines the fleet assets that help deliver the services we provide, how they are provided, and the funding required to deliver fleet replacement programs over 10 years.

What is asset management?

Asset Management is about how assets are 'looked after', both on a day-to-day basis (maintenance, monitoring and operation) and in the medium-to-long term (planning, creation/purchase, renewal and disposal).

What will we do?

Council plans to provide services for the operation, maintenance, renewal and upgrade of all assets outlined in the 10-year replacement program.

It should be noted that items with a replacement value of less than \$10,000 are considered to be low value assets and categorised as minor plant and tools and therefore their value is expensed and not included in the financial sections of this plan.

This plan has been aligned with Council's Asset Management Policy. Any upgrades or new asset expenditure will require Council prioritisation through a business case proposal.

Council will review the replacement program annually and make adjustments to the budget as required.

2. Executive Summary

FLEET, PLANT AND EQUIPMENT ASSET MANAGEMENT PLAN

Assets covered by this plan



Light Vehicle	\$789,000
Heavy Vehicle	\$376,500
Heavy Plant	\$1,512,000
Portable and Light Plant	\$393,000
Gross replacement cost	\$3,070,500
Written down value	\$1,320,315
Highly reliable asset data	

What it will cost over the 10-year planning period



Renewal (net of disposal proceeds)	\$5,011,500
Operation and Maintenance	\$4,656,127
Total	<u>\$9,667,627</u>

Extended operational life (useful life) may reflect in marginally higher future maintenance costs and reduced value on disposal.

Levels of Service



- Appropriate fleet, plant and equipment to meet Community and Technical Levels of service
- Fleet, Plant and equipment is operated, maintained and repaired to industry and manufacturer standards
- Ensuring funding levels are sufficient to continue to provide current levels of service

Future Demands managed through ongoing monitoring



Political, economic, legal, technological and social drivers including:

- Monitoring of changes in services or service levels
- Changes in technology influencing efficiencies
- Changes in legislation

Risk Management



- Renewal plan based on the industry standard useful life of assets
- Renewal plan implemented to manage ageing fleet
- Development of a planned maintenance program
- Funding levels sufficient to continue to manage risks in the medium term

Improvement Plan



- Undertake condition assessments of all plant and fleet held beyond the recommended useful life
- Continual review of data stored in the fleet and plant asset register
- Exploration of alternative asset management monitoring systems
- Review and update of the vehicle GPS monitoring system

3. Why we need a plan

The overall asset management framework aligns Council's asset portfolio to meet the service delivery needs of our community.

Litchfield Council's Asset Management vision:

Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best practices across all areas of the organisation. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery

Supported by our Strategic Priorities

1. Everything you need
2. A great place to live
3. A beautiful and safe natural environment

And enabled by A well-run Council

1. Powerful and effective advocacy
2. Engaging our community
3. Good governance
4. Modern service delivery

The Fleet, Plant and Equipment Asset Management Plan achieves this by setting standards, service levels and programs which Council will develop and deliver. The standards and service levels have been set in accordance with the IPWEA International Infrastructure Management Manual and Plant and Vehicle Management Manual which are recognized as a best practice manual across local governments of Australia.

The effectiveness of this plan is measured annually through the following key performance indicators:

KEY PERFORMANCE INDICATORS
Asset Renewal - Maintain capital renewal program in accordance with AMP
Asset Maintenance – Development of planned maintenance program

Data Quality

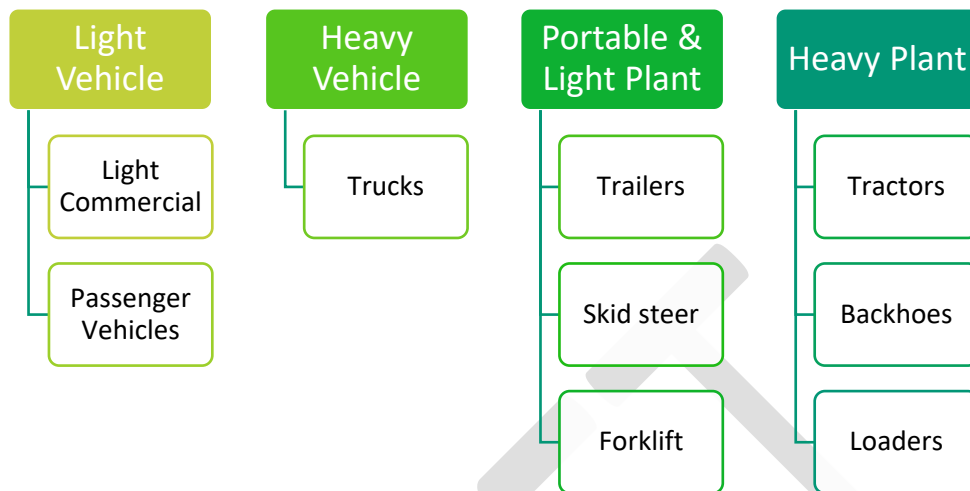
Currency and accuracy of asset data is critical to effective asset and financial management. Data confidence is classified on a scale level as shown below:

CONFIDENCE GRADE	DATA CONFIDENCE	DESCRIPTION
A	Highly Reliable	Data based on sound records, procedure, investigations and analysis, documented properly and recognised as the best method of assessment.
B	Reliable	Data based on sound records, procedures, investigations, and analysis, documented properly but has minor shortcomings, for example the data is old, some documentation is missing, and reliance is placed on unconfirmed reports or some extrapolation.
C	Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported or extrapolated from limited sample for which grade A or B data are available.
D	Very uncertain	Data based on unconfirmed verbal reports and/or cursory inspection and analysis.
E	Unknown	Unknown, as none or very little data held.

This Asset Management Plan utilises accounting, financial and asset management data from the Council Asset Management system, CIVICA Authority (where the asset information is stored). This Asset Management Plan has a confidence grade level of A.

4. Assets Covered by this Plan

Council owns and manages a number of plant and fleet. Plant and fleet assets are classified into four major asset groups including:

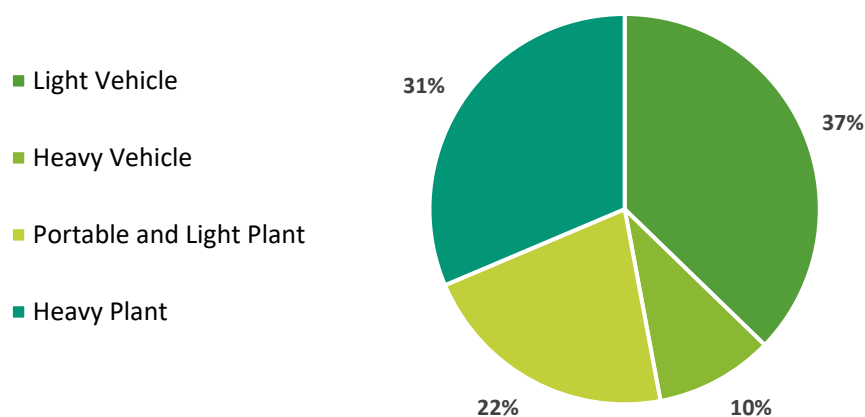


The Replacement of Fleet assets covered by this Asset Management Plan are shown in table below

ASSET CATEGORY	NUMBER	REPLACEMENT VALUE
Light Vehicle	19	\$789,000
Heavy Vehicle	5	\$376,500
Portable and Light Plant	11	\$393,000
Heavy Plant	16	\$1,512,000
TOTAL	51	\$3,070,500

It should be noted that items with a replacement value of less than \$10,000 are considered to be low value assets and categorised as minor plant and tools and therefore their value is expensed and are not included in the financial sections of this plan.

Replacement Value by Percentage of Asset Type



5. Levels of Service

Community Levels of Service

Community Levels of Service are associated with the variety of services provided by Council to our community. The following table demonstrates how the assets covered under this Asset Management Plan assist in achieving Community Levels of Service.

SERVICE ATTRIBUTE	LEVEL OF SERVICE	PERFORMANCE MEASURE	CURRENT LEVEL OF SERVICE	DESIRED LEVEL OF SERVICE
Condition/ Quality	Provide a fleet which is operational	Maintenance failures Scheduled/ unscheduled maintenance ratio	Scheduled maintenance as per manufacture's recommendations.	Increasing scheduled over unscheduled maintenance Reporting in place for maintenance failures and ratios. Fleet assets are managed using adopted policies and best practice standards
Confidence Levels			Uncertain	Reliable
Function/ Safety	Provide sufficient fleet assets to meet the communities desired levels of service (fit for purpose)	Specification for equipment meets operator needs	Assets are available to meet current levels of service	Sufficient assets are available to meet desired levels of service
	Ensure assets are operated, maintained, serviced, and repaired to industry standards	Roadworthy compliance	Assets are operated, maintained, serviced, and repaired to industry standards	100% compliant with legislation
Confidence Levels			Uncertain	Reliable
Capacity/ Utilisation	Maximise utilisation rates	Distance travelled Plant hours Service intervals Optimised renewal	Utilisation being monitored and working towards improved utilisation and plant rationalisation	Utilisation maximised
Confidence Levels			Uncertain	Reliable

Technical Levels of Service

Technical levels of service determine the allocation of resources to service activities to best achieve the desired community outcomes and demonstrate effective performance throughout an asset's lifecycle. Council manages and operates assets at the agreed levels of service while managing whole-of-life costs to ensure the best value for resources used. The following table demonstrates the Technical Levels of Service for fleet, plant and equipment assets.

SERVICE ATTRIBUTE	LEVEL OF SERVICE	PERFORMANCE MEASURE	CURRENT LEVEL OF SERVICE	DESIRED LEVEL OF SERVICE
Operation \$189,450 on average per year	Comply with safety standards	Monitoring and Reporting Program	100% compliance with legislation	100% compliance with legislation
Maintenance \$276,165 on average per year	All fleet assets are fully maintained throughout the life the of asset	Scheduled Maintenance		100% compliance with manufacturers specifications Develop Fleet Management System
		Reactive Maintenance	Reliant on operator reporting defects and faults	Assets to be operational
Renewal \$342,000 on average per year	Renewal completed on-time and within budget	Renewal in accordance with vehicle replacement plans	Renewals within annual budget, not as per the replacement/renewal program	Renewals as per the replacement program
	Provide a fit for purpose fleet of vehicles	Upgrades/new in accordance with vehicle replacement plan	Cannot provide a fit for purpose fleet of vehicles	All fleet fit for purpose Up to date with latest technology

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and community priorities will change over time.

Maintenance Response Levels of Service

Maintenance programs are normally focused on legislative requirements, design specifications or community expectations. The maintenance requirements include reactive, scheduled and major cyclic activities:

- Reactive maintenance is defined as unplanned repair work which is carried out in response to service requests and management/supervisory directions.
- Scheduled maintenance is work that is identified and managed through a Fleet Management System. These activities include inspection, assessing the condition against failure/breakdown standards, prioritising, scheduling,

actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

- Major Cyclic Maintenance involves the major refurbishment of higher value components/sub-components of assets and is undertaken on a regular cycle and generally involves major plant maintenance.

Legislative Requirements

LEGISLATION	REQUIREMENT
Local Government Act NT	Sets out role, purpose, responsibilities, and power of local government including the preparation of long-term financial plan supported by asset management plans for sustainable service delivery.
Australian Accounting Standards Board	Sets out useful life of assets, fair value, and depreciation process.
Australian Standards	To ensure plant and fleet provides service for all.
Northern Territory Traffic Regulations	Establishes the safety of persons in vehicles and duty of drivers while on public roads.
Traffic Act NT	Sets out the requirements for traffic management.
Northern Territory Environment Protection Authority Act 2012	Responsibility not to cause environmental harm (e.g. noise pollution, contamination of water).
Work Health and Safety Act 2011	Sets out the requirements for protection of staff and the public when undertaking works.
Disability Discrimination Act 1992	Sets out the requirements for compliant infrastructure to facilitate equal access to transport services.

Future Demand

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets. Demand management practices include non-asset solutions, insuring against risks and managing failures.

Council has considered the following future demands during development of this Asset Management Plan:

AREA	DEMAND	IMPACT ON SERVICES	DEMAND MANAGEMENT PLAN
Political	Political changes, Change in Council	Change in services or service levels	Approved business case
Legal	Change in legislation	Complex legal and compliance requirements	Consider compliance requirements during replacement cycle.
Social	Changing community demographics, needs and expectations.	Change in services or service levels	Monitor community expectations
Technological	Being a smart organisation that uses data to drive decision-making.	Ability to deliver services at a higher operational level achieved through use of in vehicle GPS data. Implementing assets and services to understand current demand and identify opportunities to improve service delivery.	Utilisation based asset maintenance and renewal
Other	Unexpected grant funding causing an increase to staff numbers.	Additional plant and fleet required to cater for staff needs/requirements	Assets needs assessed on an ongoing basis to ensure sufficient to meet needs.

Asset Programs to meet Demand

Political, economic, legal, technological, and social drivers that may impact future service delivery and use of assets will be monitored.

These demands will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets. Demand management practices include non-asset solutions, like hiring of plant and fleet on short or long-term periods (where required) insuring against risks and managing failures.

Changes in Technology

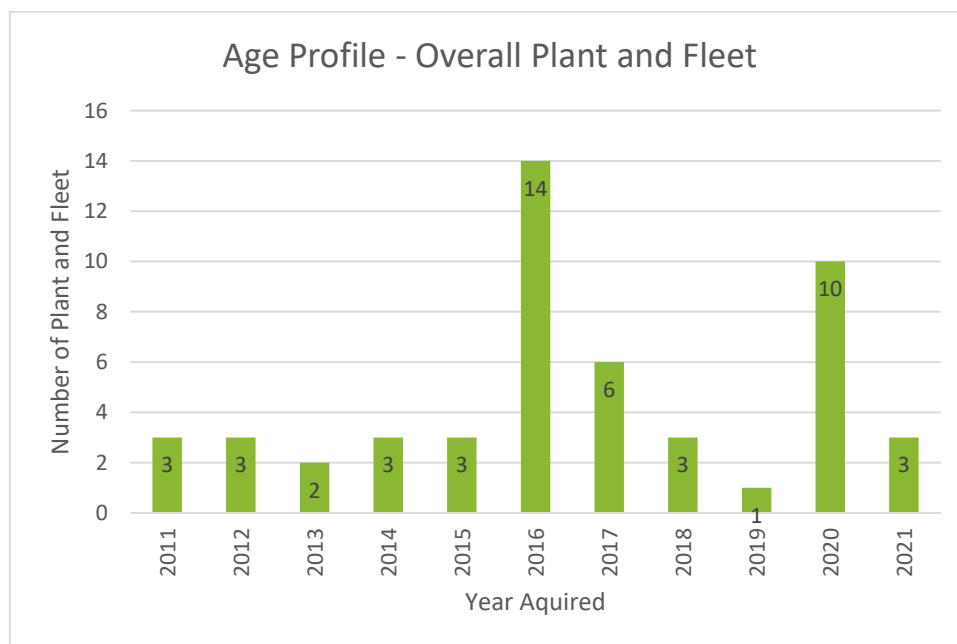
With rapidly changing technology in fleet assets, there will be instances of increased demand to bring forward plant replacement where productivity improvements outweigh the cost of changeover, over the life of the asset. These changes will be monitored and managed through annual reviews of the replacement programs.

6. Lifecycle Management Plan

The lifecycle management plan details how Litchfield Council plans to manage and operate the assets at the agreed levels of service while managing lifecycle costs.

Asset Age Profile

Asset age is recorded from the year of purchase only in Council's asset register. The remaining useful life of the asset is determined by the optimum replacement timing for a plant or fleet based on a combination of utilisation in either kilometres or engine hours to achieve the lowest annual cost during the life of the asset.



Asset Condition

Fleet assets are depreciated using an age based straight line method and as such there is no requirement to regularly assess the condition for revaluation purposes.

Operations and Maintenance

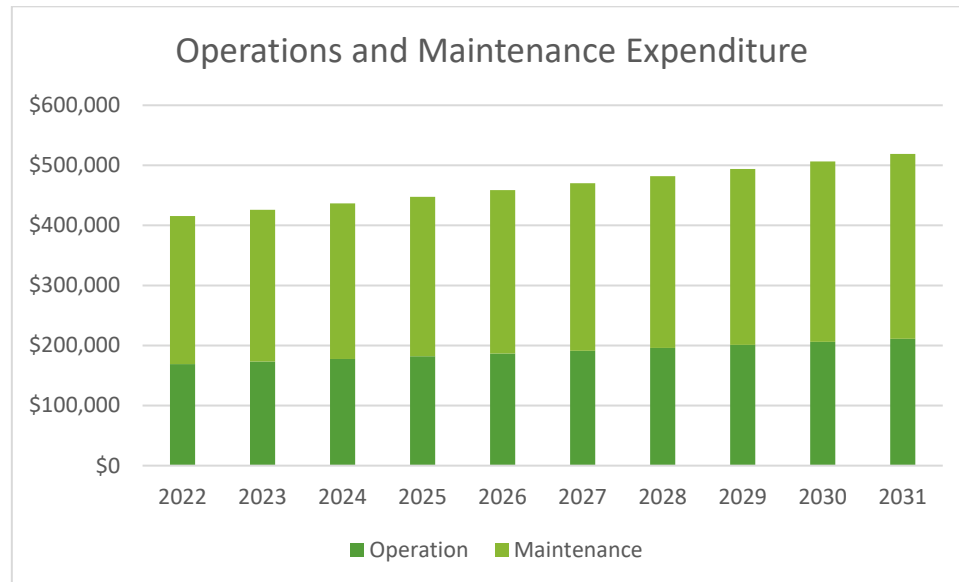
Operations and Maintenance budget levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this Asset Management Plan and service risks considered in the Infrastructure Risk Management Plan.

Operations and Maintenance Expenditure Trends

FINANCIAL YEAR	OPERATIONS AND MAINTENANCE
2020 Actuals	\$420,679
2021 Budget	\$413,250
2021 Actuals	\$317,930
2022 Budget	\$415,600

Future Operations and Maintenance

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of, the forecast operation and maintenance costs are expected to decrease.



All figure values are shown in current day dollars.

Renewal Plan

The renewal plan included in Council's plant, fleet and equipment replacement program, is developed based on the useful lives of the assets referenced from IPWEA Plant and Vehicle Management Manual.

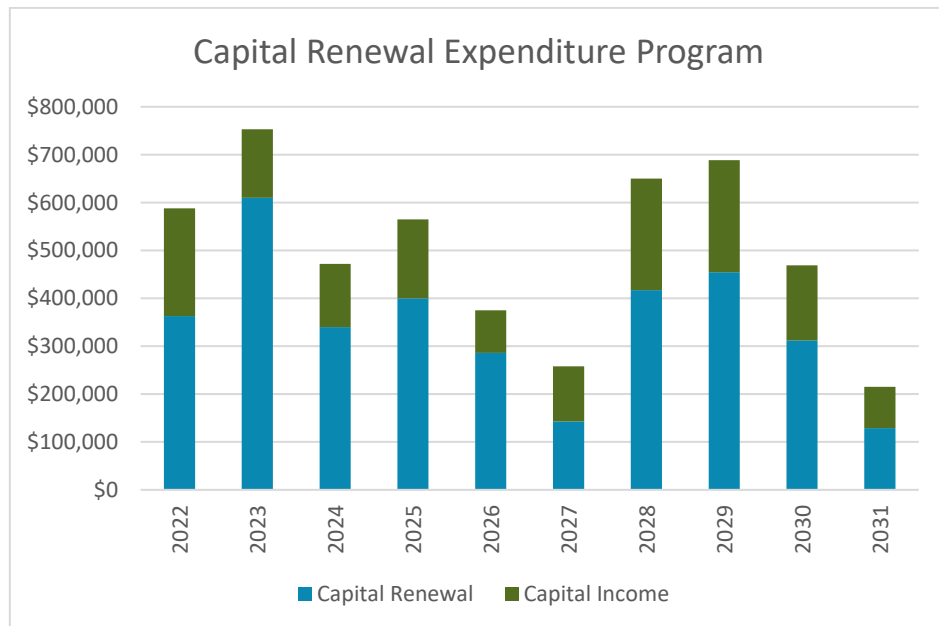
The typical useful lives of assets used to develop projected asset renewal forecast are shown in table below.

Useful Lives of Assets

Asset (Sub) Category	Useful Life (in years)
Backhoe Loader	7
Loader	8
Truck	10
Mower Front Deck	5
Slasher Mower	7
Tractor	7
Slasher Deck	10
Trailer	15
Forklift	5
Cars and Utilities	5
Executive Cars	3

Renewal Expenditure

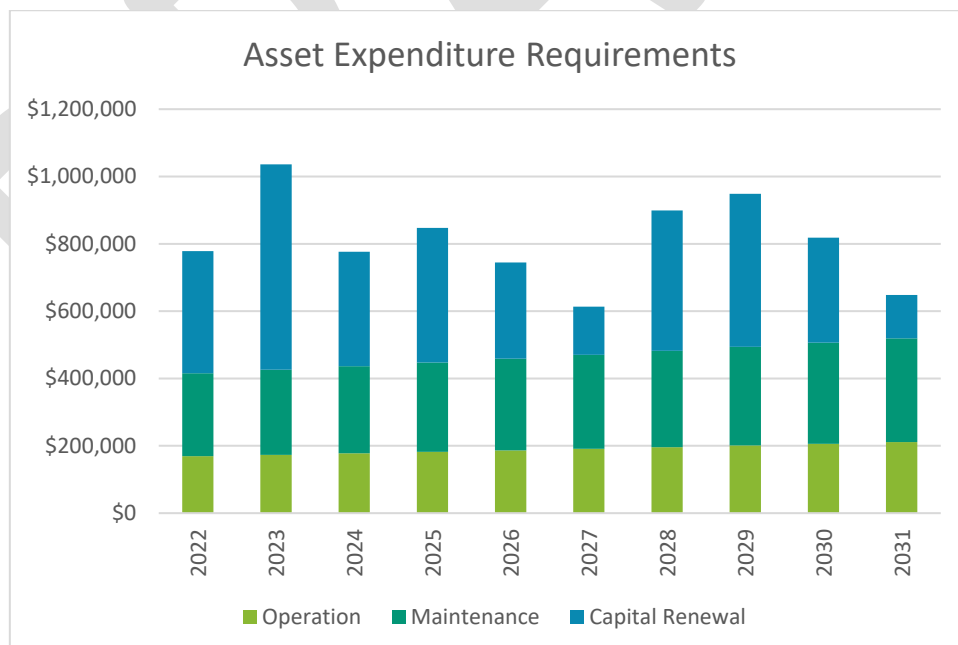
The renewal program is shown in the Appendices.



All figure values are shown in current day dollars.

Summary of asset expenditure requirements

The financial projections from this asset plan are shown below for projected operation, maintenance and capital renewal expenditure. The bars in the graph represent the forecast costs needed to minimise the lifecycle costs associated with the service provision.



All figure values are shown in current day dollars.

7. Risk Management

There are numerous risks associated with plant and fleet assets. The focus in this plan is on risk reduction strategies and identifying actions to minimise risk to the asset and the asset user.

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, summarised in the table below.

SERVICE AT RISK	WHAT CAN HAPPEN	IMPACT
Ageing Plant and Fleet Infrastructure	<ul style="list-style-type: none"> • High incidence of breakdowns 	<ul style="list-style-type: none"> • Increased maintenance costs • Increased product costs and poor efficiency • Increased downtime/lower utilisation rates • Work programs behind schedule

The risk management process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks. The residual risk and treatment costs of implementing the selected treatment plan is shown in table below. It is essential that these critical risks and costs are reported to management and Litchfield Council elected members.

SERVICE OR ASSET AT RISK	WHAT CAN HAPPEN	RISK RATING	RISK TREATMENT PLAN	RESIDUAL RISK
Ageing Plant and Fleet	<ul style="list-style-type: none"> • Increased maintenance costs and poor efficiency 	Very High	<ul style="list-style-type: none"> • Development of renewal programs in line with industry standards for the useful life of assets 	Low
Insufficient renewal budgets to maintain schedule	<ul style="list-style-type: none"> • Renewal program behind schedule • Reduction in disposal value due to age of assets 	Very High	<ul style="list-style-type: none"> • Allocate sufficient budgets to maintain renewal programs 	Low
Operating Risk	<ul style="list-style-type: none"> • Loss of appropriate driver/operator • Staff turnover 	High	<ul style="list-style-type: none"> • Continuous Training • Handover of organisational knowledge 	Low
Maintenance Risk	<ul style="list-style-type: none"> • Maintenance Programs not maintained 	High	<ul style="list-style-type: none"> • Development of planned maintenance programs 	Low

Note * The residual risk is the risk remaining after the selected risk treatment plan is implemented.

8. What will it cost and how will we pay for it?

Finance Statements and Projections

This section contains the financial requirements resulting from the information presented in the previous sections of this Asset Management Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

Acquisition – Acquisition reflects new assets that did not previously exist. They may result from growth, demand, social or environmental needs. Assets may also be donated to the Litchfield Council.

Operation – Operation includes regular activities to provide services.

Maintenance – Maintenance includes all actions necessary for retaining an asset to an appropriate service condition including regular ongoing day to day work necessary to keep assets operating.

Renewal – Renewal is a replacement of the asset as 'like-for-like'

Disposal – Disposal is the disposal of an asset that is not being renewed and does not include disposal of assets associated with renewals.

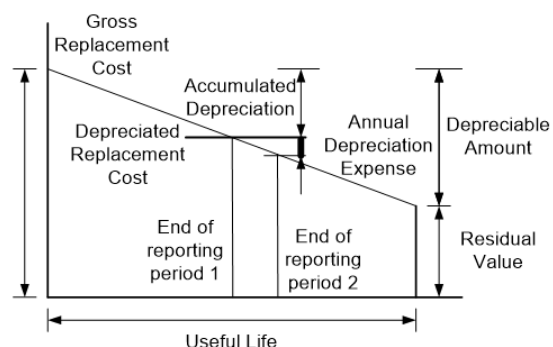
Funding Strategy

YEAR	ACQUISITIONS	OPERATION	MAINTENANCE	RENEWAL	DISPOSAL	TOTAL
2022	\$ -	\$ 169,100	\$ 246,500	\$ 602,000	\$ -	\$ 1,017,600
2023	\$ -	\$ 173,328	\$ 252,663	\$ 728,000	\$ -	\$ 1,153,991
2024	\$ -	\$ 177,661	\$ 258,979	\$ 472,000	\$ -	\$ 908,640
2025	\$ -	\$ 182,102	\$ 265,454	\$ 565,000	\$ -	\$ 1,012,556
2026	\$ -	\$ 186,655	\$ 272,090	\$ 375,000	\$ -	\$ 833,745
2027	\$ -	\$ 191,321	\$ 278,892	\$ 258,000	\$ -	\$ 728,213
2028	\$ -	\$ 196,104	\$ 285,864	\$ 625,000	\$ -	\$ 1,106,968
2029	\$ -	\$ 201,007	\$ 293,011	\$ 702,500	\$ -	\$ 1,196,518
2030	\$ -	\$ 206,032	\$ 300,336	\$ 469,000	\$ -	\$ 975,368
2031	\$ -	\$ 211,183	\$ 307,845	\$ 215,000	\$ -	\$ 734,028
TOTAL	\$ -	\$ 1,894,493	\$ 2,761,634	\$ 5,011,500	\$ -	\$ 9,667,627

Valuation Forecasts

The best available estimate of the value of assets included in this Asset Management Plan are shown below. As assets are replaced regularly in line with Council's 10 year Fleet Replacement Program, the purchase price recorded on the asset register is considered to be adequate. If any significant changes are required to the registers these are made accordingly.

Gross Replacement Cost (Current/Gross)	\$3,070,500
Depreciable Amount	\$1,904,948
Depreciated Replacement Cost ¹	\$1,320,315
Annual Depreciation Annual Asset Consumption.	\$361,408
Annual Depreciation Percentage	18.97%



¹ Also reported as Written Down Value, Carrying or Net Book Value.

Key Assumptions

The table below details the key assumptions made in presenting the information contained in this Asset Management Plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates.

KEY ASSUMPTIONS	RISK OF CHANGE TO ASSUMPTIONS
Data is based on Councils Asset Management System CIVICA Authority Asset Register as at June 2021.	Low
The Long Term Financial Plan will reflect the required capital renewal budgets	High
Fleet, Plant and Equipment are replaced on a 'like for like' basis	Moderate
All low value fleet, plant and equipment assets less than \$10,000 are expensed and are not included in the financial sections of this plan	Low
Operation and Maintenance costs for new assets will be consistent with the operation and maintenance costs of existing assets	Low
No significant changes are considered in future demand due to service level	Moderate
Natural disasters (such as cyclones), vandalism and other unplanned events are not considered in the asset lifecycles	Low
Net replacement cost is based on the current day dollar value for all plant and fleet assets	Low
Fleet, Plant and equipment useful lives are adopted using IPWEA Plant and Vehicle Management Manual	Low

9. Improvement Plan

It is important that Council recognise areas of the Asset Management Plan and planning process that require future improvements to ensure effective asset management and informed decision making. Councils' improvement plan is shown in the table below:

ACTION	RESPONSIBILITY	TIMELINE
Adopt community and technical levels of service	Manager of Infrastructure and Assets	Now
Undertake condition assessment of all plant and fleet held beyond the recommended optimum replacement points. (useful lives)	Asset Engineer	Annually
Continual review of data stored in the fleet and plant asset register	Asset Engineer	Ongoing
Develop planned Operation and maintenance program	Manager of Infrastructure and Assets	December 2022
Adopt risk management plan	Manager of Infrastructure and Assets	Now
Explore alternative asset management systems to monitor activities, servicing schedules and record maintenance undertaken.	Manager of Infrastructure and Assets	December 2022
Review and update of Councils in vehicle GPS monitoring system	Manager of Infrastructure and Assets	Now
Review renewal program and budgets during annual budget planning processes to show any material changes in service levels and/or resources available to provide those services as a result of budget decisions.	Manager of Infrastructure and Assets	Annually in December
Undertake a full review of this plan at least every four years, within two years of each Council election or any review to Council's Strategic Plan.	Manager of Infrastructure and Assets	2026

10. Appendix

Appendix A Remaining Useful Lives

Appendix B Projected 10-year Capital Renewal/Replacement Program

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Appendix A Remaining Useful Lives

Asset ID	Category	Asset Description	Remaining life as at 2022	Comments
36308	Heavy Vehicle	Hino 300-Dump Truck-CA65OL-MWF	0	
36309	Heavy Vehicle	Hino 917-Crew Cab-CA73KN-MWF	+1	
40811	Heavy Vehicle	Isuzu FRR500 Tipper Truck MY14-CB63VD-MWF	+2	
47759	Heavy Vehicle	RGM Fuso Auto (Duonic) Truck-CE04DB-BSWTS-RRPL	+8	
47948	Heavy Vehicle	Fuso Canter Tip Truck-CE30FT-Thorak-CPPL	+8	
39512	Heavy Plant	Kubota MX5000 Tractor CA22TA-MWF	-2	Past useful life
45302	Heavy Plant	Massey Fergusson Tractor-SV4275-MWF	+3	
46155	Heavy Plant	John Deere Tractor-SV4594-MWF	+3	
47357	Heavy Plant	Kubota M110GX Tractor-CD90VW-MWF	+5	
47838	Heavy Plant	Massey Fergusson Tractor with loader-CE27SH-MWF	+6	
44720	Heavy Plant	Backhoe Caterpillar-SV4023-HSWTS	+1	
45010	Heavy Plant	Backhoe Caterpillar-SV4187-BSWTS	+1	
47631	Heavy Plant	Komatsu Loader-SV4640-HDWTS	+6	
35440	Heavy Plant	Backhoe JCB-SV3127-Thorak	-4	Past useful life
35442	Heavy Plant	Generator 001-LC Office	+4	
48469	Heavy Plant	CAT Mini Loader - HDWTS replacing asset 45237	+7	
48475	Heavy Plant	Slasher Deck attached with Kubota Tractor CD90VW	+6	
48476	Heavy Plant	Slasher Deck	0	

48477	Heavy Plant	Slasher Deck	0	
48478	Heavy Plant	Slasher Deck	0	
48479	Heavy Plant	Slasher Deck	0	
44949	Light Vehicle	Ford Ranger 4x4 Utility CC45YM - MWFPL	-1	Past useful life
44950	Light Vehicle	Ford Ranger 4x4 utility - CC45YL - MWF Operator	-1	Past useful life
47834	Light Vehicle	Kubota RTV x900G-A-Buggy-CE22JF-MWF	+3	
47835	Light Vehicle	Kubota RTV x900G-A-Buggy-CE22JF-MWF	+3	
44951	Light Vehicle	Ford Ranger 4x4 Utility CC45FS-Pool Vehicle	-1	Past useful life
44977	Light Vehicle	Holden Colorado Crew Cab - CC08CS - Pool Vehicle	0	
47821	Light Vehicle	Isuzu D Max Utility - CE25OE - RRPL	+3	
44755	Light Vehicle	Toyota Hilux 4x4 - CC30QO-MIA	-1	Past useful life
44952	Light Vehicle	Ford Ranger 4x4 utility CC45FT - Pool Vehicle	-1	Past useful life
44966	Light Vehicle	Holden Colorado - CC45WB - RSPL	-1	Past useful life
45069	Light Vehicle	Holden Colorado - CC68LC - Pool Vehicle	0	
45098	Light Vehicle	Holden Trailblazer - CC78NR - GM I&O	-2	Past useful life
47750	Light Vehicle	Isuzu Motor Vehicle - CD92ZN - Ranger Officer	+3	
47753	Light Vehicle	Mitsubishi Outlander - CD67RW - MCI	+2	
47789	Light Vehicle	Mazda BT-50 XTR UTE SA-CE13CH - CEO	+2	
47790	Light Vehicle	MAZDA BT-50 Dual Cab Utility XT 4X4-CE13CG-MAYOR	+2	

36349	Light Vehicle	Polaris Utility Vehicle-CB29ZX-Thorak	-5	Past useful life
44983	Light Vehicle	Toyota Hilux- Dual Cab-CC51PU-Thorak-CPPL	0	
48454	Light Vehicle	ISUZU MUX Station Wagon – CE53SQ-GMIO	+3	
40812	Light Plant	Trailer Tri Axle 18ft x 8ft Heavy Duty- MWF-TJ6511	+8	
44956	Light Plant	Kubota F3690SN 72inch front Deck Mower - CC44JN	-1	Past useful life
47829	Light Plant	Kubota F3690SN Outfront Mower- CD89YA-MWF	+3	
40795	Light Plant	Kubota ZD331LP-72inch Mower Pro Deck	-3	Past useful life
46156	Light Plant	Kubota F3690 Front Deck Mower- CD35SG-MWF	+1	
44560	Light Plant	Titan 6500 Loader with silvan 5ft H/D slasher	0	
45237	Light Plant	Skid steer Loader CC91UZ - HDWTS	0	
45079	Light Plant	Forklift - Humpty Doo WTS CC91VA	0	
48481	Light Plant	Dog Cage attached to Asset ID 47750	-2	Past useful life
48482	Light Plant	Dog Cage attached to Asset ID 44966	-2	Past useful life
44601	Light Plant	Hustler Super Duty Hyper with 72inch deck - CC95MN	-2	Past useful life
40006	Light Plant	ISEKI SXG326 Ride on Mower CB24XO – Thorak - CPPL	-3	Past useful life

DRAFT

Asset ID	Asset Description	Fleet Type	Allocation	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
36308	Hino 300-Dump Truck-CA65OL-MWF	Heavy Vehicle	MWF		\$ 73,000								
36309	Hino 917-Crew Cab-CA73KN-MWF	Heavy Vehicle	MWF		\$ 90,000								
40811	Isuzu FRR500 Tipper Truck MY14-CB63VD-MWF	Heavy Vehicle	MWF			\$ 93,000							
47759	RGM Fuso Auto (Duonic) Truck-CE04DB-BSWTS-RRPL		BSWTS								\$ 60,500		
47948	Fuso Canter Tip Truck-CE30FT-Thorak-CPPL	Heavy Vehicle	THORAK									\$ 60,000	
39512	Kubota MX5000 Tractor CA22TA-MWF	Heavy Plant	MWF	\$ 85,000							\$ 85,000		
45302	Massey Fergusson Tractor-SV4275-MWF	Heavy Plant	MWF				\$ 150,000						
46155	John Deere Tractor-SV4594-MWF	Heavy Plant	MWF				\$ 110,000						
47357	Kubota M110GX Tractor-CD90VW-MWF	Heavy Plant	MWF				\$ 135,000						
47838	Massey Fergusson Tractor with loader-CE27SH-MWF	Heavy Plant	MWF				\$ 120,000						
44720	Backhoe Caterpillar-SV4023-HSWTS	Heavy Plant	HSWTS	\$ 184,000							\$ 184,000		
45010	Backhoe Caterpillar-SV4187-BSWTS	Heavy Plant	BSWTS		\$ 170,000							\$ 170,000	
47631	Komatsu Loader-SV4640-HDWTS	Heavy Plant	HDWTS							\$ 180,000			
35440	Backhoe JCB-SV3127-Thorak	Heavy Plant	THORAK	\$ 70,000							\$ 70,000		
35442	Generator 001-LC Office	Heavy Plant	LC					\$ 60,000					
48469	CAT Mini Loader - HDWTS	Heavy Plant	HDWTS								\$ 98,000		
48475	Slasher Deck 1 - attached with Kubota Tractor CD90VW	Heavy Plant	MWF					\$ 30,000					
48476	Slasher Deck 2	Heavy Plant	MWF					\$ 30,000					
48477	Slasher Deck 3	Heavy Plant	MWF					\$ 30,000					
48478	Slasher Deck 4	Heavy Plant	MWF					\$ 30,000					
48479	Slasher Deck 5	Heavy Plant	MWF					\$ 30,000					
44949	Ford Ranger 4x4 Utility CC45YM - MWFPL	Light Vehicle	MWF		\$ 45,000					\$ 45,000			
44950	Ford Ranger 4x4 utility - CC45YL - MWF Operator	Light Vehicle	MWF		\$ 45,000					\$ 45,000			
47834	Kubota RTV x900G-A-Buggy-CE22JF-MWF	Light Vehicle	MWF			\$ 27,000						\$ 27,000	
47835	Kubota RTV x900G-A-Buggy-CE22JF-MWF	Light Vehicle	MWF			\$ 27,000						\$ 27,000	
44951	Ford Ranger 4x4 Utility CC45FS-Pool Vehicle	Light Vehicle	LC		\$ 45,000					\$ 45,000			
44977	Holden Colorado Crew Cab - CC08CS - Pool Vehicle	Light Vehicle	LC		\$ 45,000					\$ 45,000			

Asset ID	Asset Description	Fleet Type	Allocation	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
47821	Isuzu D Max Utility - CE25OE - RRPL	Light Vehicle	WTS					\$ 45,000					\$ 45,000
44755	Toyota Hilux 4x4 - CC30QO-MIA	Light Vehicle	LC	\$ 45,000					\$ 45,000				
44952	Ford Ranger 4x4 utility CC45FT - Pool Vehicle	Light Vehicle	LC		\$ 45,000					\$ 45,000			
44966	Holden Colorado - CC45WB - RSPL	Light Vehicle	RS			\$ 45,000					\$ 45,000		
45069	Holden Colorado - CC68LC - Pool Vehicle	Light Vehicle	LC		\$ 45,000					\$ 45,000			
45098	Holden Trailblazer - CC78NR - Pool Vehicle	Light Vehicle	LC	\$ 50,000									
47750	Isuzu Motor Vehicle - CD92ZN - Ranger Officer	Light Vehicle	RS					\$ 45,000					\$ 45,000
47753	Mitsubishi Outlander - CD67RW - MCI	Light Vehicle	LC		\$ 45,000					\$ 45,000			
47789	Mazda BT-50 XTR UTE SA-CE13CH - CEO	Light Vehicle	LC			\$ 60,000			\$ 60,000			\$ 60,000	
47790	MAZDA BT-50 Dual Cab Utility XT 4X4-CE13CG-MAYOR	Light Vehicle	LC			\$ 60,000			\$ 60,000			\$ 60,000	
36349	Polaris Utility Vehicle-CB29ZX-Thorak	Light Vehicle	THORAK	\$ 25,000					\$ 25,000				
44983	Toyota Hilux- Dual Cab-CC51PU-Thorak-CPPL	Light Vehicle	THORAK			\$ 45,000					\$ 45,000		
48454	ISUZU MUX Station Wagon-CE53SQ-GMIO	Light Vehicle	LC				\$ 50,000			\$ 50,000			\$ 50,000
48480	light vehicle	Light Vehicle	LC		\$ 45,000					\$ 45,000			
40812	Trailer Tri Axle 18ft x 8ft Heavy Duty- MWF-TJ6511	Light Plant	MWF									\$ 30,000	
44956	Kubota F3690SN 72inch front Deck Mower - CC44JN	Light Plant	MWF					\$ 35,000					\$ 35,000
47829	Kubota F3690SN Outfront Mower-CD89YA-MWF	Light Plant	MWF			\$ 35,000						\$ 35,000	
40795	Kubota ZD331LP-72inch Mower Pro Deck	Light Plant	MWF	\$ 33,000					\$ 33,000				
46156	Kubota F3690 Front Deck Mower-CD35SG-MWF	Light Plant	MWF		\$ 35,000					\$ 35,000			
44560	Titan 6500 Loader with silvan 5ft H/D slasher	Light Plant	MWF	\$ 35,000							\$ 35,000		
45079	Forklift - Humpty Doo WTS CC91VA	Light Plant	HDWTS			\$ 40,000					\$ 40,000		
48481	Dog Cage attached to Asset ID 47750	Light Plant	RS	\$ 40,000				\$ 40,000					\$ 40,000
48482	Dog Cage attached to Asset ID 44966	Light Plant	RS			\$ 40,000					\$ 40,000		
44601	Hustler Super Duty Hyper with 72inch deck - CC95MN	Light Plant	MWF	\$ 35,000					\$ 35,000				
40006	ISEKI SXG326 Ride on Mower CB24XO - Thorak - CPPL	Light Plant	THORAK		\$ 35,000					\$ 35,000			
Totals				\$ 602,000	\$ 728,000	\$ 472,000	\$ 565,000	\$ 375,000	\$ 258,000	\$ 625,000	\$ 702,500	\$ 469,000	\$ 215,000



COUNCIL REPORT

Agenda Item Number:	14.03.03
Report Title:	Proposed Place Names – Subdivision 176 Bees Creek Road
Author:	Mark Hogan, Planning and Development Program Leader
Recommending Officer:	Leon Kruger, General Manager Infrastructure and Operations
Meeting Date:	16/11/2021
Attachments:	A: Map of Internal Subdivision with Proposed Names

Executive Summary

The purpose of this report is to refer to Council a request for support for submission to the NT Place Names Committee for the naming of three new roads in the new subdivision at 176A and 176B Bees Creek Road commonly known as 'Savanna Acres'. It is recommended that Council support the proposed names which have received in principle support from NT Place Names.

Recommendation

THAT Council:

- support the proposed road names as follows;

	Preferred	Alternate	Alternate
Road One	Pencilflower Road	<i>Savanna Road</i>	<i>Mimosa Road</i>
Road Two	Silver Wattle Road	<i>Scarlet Road</i>	<i>Turkey Bush Road</i>
Road Three	Messmate Road	<i>Sand Palm Road</i>	<i>Stringybark Road</i>

- provide a letter of comment to the NT Place Names unit and the NT Place Names Committee detailing the above resolution.

Background

The proponents for a new 19.6ha subdivision at 176A and 176B Bees Creek Road, currently known as 'Savanna Acres,' have proposed place names for three internal roads which can be seen on the map provided at Attachment A.

The proposed place names were first submitted to Litchfield Council (Council) on 21 September 2021, having already been submitted to the Department of Infrastructure, Planning and Logistics Place Names Committee (Place Names) on 02 September 2021.

Submissions for endorsement of names are usually made to Council prior to being reviewed by Place Names for the ultimate decision. Place Names has already made its recommendation for preferred names, subject to Council support.

Place Names nominate the reason for early considerations as being due to potential delays as a consequence of the Council elections on 28 August 2021, which created a perceived risk that Ordinary Council Meetings may not align with Place Name's quarterly meetings.

An agenda item was initially scheduled to be seen by Councillors in October, however the proponents subsequently advised that they were still seeking alternate names from Larakia Nation, hence its appearance at the November Council Meetings.

Larakia Nation have since advised that they are still undergoing a process of establishing Memorandums of Understanding with their relevant community organisations on an agreed process for nominating indigenous names. Larakia Nation have noted that they are unable to contribute to the names proposed for 'Savanna Acres' at this time.

The proponent has nominated botanical names for the roads, with each road having three alternate choices for consideration. The names are based on flora endemic to the site as per the relevant environmental report undertaken prior to the subdivision.

	Place Name Endorsed	Alternate	Alternate
Road One	Pencilflower Road	<i>Savanna Road</i>	<i>Mimosa Road</i>
Road Two	Silver Wattle Road	<i>Scarlet Road</i>	<i>Turkey Bush Road</i>
Road Three	Messmate Road	<i>Sand Palm Road</i>	<i>Stringybark Road</i>

Place Names has nominated 'Pencilflower Road,' 'Silver Wattle Road', and 'Messmate Road' as preferred road titles over the alternate names provided by the proponent, and it is recommended that Council also support their nomination as they:

- adequately address the mandatory requirements as per Section 4.2.1 of the *Australian/New Zealand Standard Rural and urban addressing AS/NZS 4819:2011*,
- are consistent with the Australian Standard and the ICSM Principles that Place has adopted, in addition established guidelines,
- are themed based on dominant plant species identified at the location,
- have been nominated by the proponents as suitable.

Links with Strategic Plan

A Great Place to Live - Development and Open Space

Legislative and Policy Implications

The NT Place Names Act 1967 requires consultation with the local council prior to the NT Place Names Committee considering a proposed new place name. This report is prepared in compliance with that Act and Council Policy INF04 Place Names, which refers to the NT Place Names Committee's Guidelines for NT Place Naming (formerly known as the Northern Territory Rules of Nomenclature).

Risks



Nil.

Community Engagement

Not applicable.

Proposed Names Map – Savanna Acres (provided to Council by Place Names on 28/10/2021)



	Preferred name	Alternate name	Alternate name
Road 1	Savanna Road	Mimosa Road	Silver Wattle Road
Road 2	Scarlet Road	Turkey Bush Road	Pencilflower Road
Road 3	Sand Palm Road	Stringybark Road	Messmate Road
Holly Road	Extension of existing road		

Names supported by the
Place Names Committee at
meeting on 4 October 2021.

28 October 2021 - Note
Requestor has proposed switching Silver
Wattle Road and Pencilflower Road.
Final layout to be confirmed with Committee.



COUNCIL REPORT

Agenda Item Number:	14.03.04
Report Title:	Preparation of Business Case for Kerbside Collection and Associated Waste Operations
Author & Recommending Officer:	Leon Kruger, General Manager Infrastructure and Operations
Meeting Date:	16/11/2021
Attachments:	A: Aurecon – Summary of Findings, Litchfield Waste Review B: Iain Summers - Roadside Waste and Recycling Trial C: Garry Geuenich - Pre-tender Estimate D: Litchfield Council Waste Strategy 2018 - 2023

Executive Summary

The purpose of this report is to present to Council proposed actions to review Council's waste management with the main focus of preparing a business case for kerbside waste collection.

Recommendation

THAT Council provides in-principle support for the preparation of a business case for kerbside collection which will include investigation into current waste operations with recommendations for improvements/alterations, subject to a Council resolution as part of the next budget review to allocate funding for the preparation of the business case.

Background

Over the last 11 years, Council has carried out and engaged several consultants to prepare a variety of investigations, studies and reports concerning Council's waste management activities. This includes the preparation and regular update of Council's Waste Strategy. The most significant of these studies and reports are listed in order of date below.

Kerbside Waste Investigations

2018 and 2019

Council reviewed and updated its **Waste Strategy 2018 – 2023** in 2018 and 2019.

On page five of the Strategy, it is noted that a key challenge for Council is kerbside collection and that;

"Future urban residential development at Holtze and expansion of residential development at Coolalinga and other Rural Activity Centers may require a different service level than rural lots."

December 2014

Garry Geuenich was engaged for a ***Pre-Tender Estimate*** with the purpose of providing Council with a pre-tender estimate of a garbage collection service for weekly garbage and fortnightly co-mingled recycling collection services. This assessment included an estimate of costs to Council should kerbside services be undertaken in-house.

June 2014

Iain Summers undertook a study, ***Roadside Waste and Recycling Trial*** with the purpose of carrying out a business analysis to identify the feasibility of a roadside waste and recycling pilot project at Coolalinga.

November 2013

Impact Environmental commenced a ***Review of Waste and Recycling Services***, which was not completed. The reason the Review was not completed is unknown at this time. The purpose of the Review was to assess operations and carry out cost analysis associated with the following.

- The operation of the existing three transfer stations.
- Potential upgrade of the Humpty Doo transfer station to provide receival facilities for mixed waste and recyclables as well as establishment of a buy-back shop. This option would include the continuation of operations at the other two transfer stations.
- Introduction of a regular kerbside collection service to residents for the collection of mixed waste and recycling from each household. This option would result in the closure of the two smaller transfer stations. Humpty Doo transfer station would remain open and operational.

April 2010

Aurecon prepared a thorough 101-page report, ***Summary of Findings, Litchfield Waste Review***. The purpose of the study focused on addressing the following issues and questions.

- Review the current waste management practices at the three transfer stations.
- Viability of a waste kerbside collection service for some of the district centres.
- Impact of Federal and Territory Legislation being considered at that time on the handling of waste (such as a carbon tax).
- Opportunities available for recycling goods and the methods of collecting.
- Conversion of green waste to mulch and improved methods to bring about a reduction in volume.
- Investigation of future sites for landfill to service the Litchfield municipality.
- Rationalisation of the number of transfer stations in the Litchfield Municipality, including the possible closure of the Howard Springs transfer station.

Kerbside Waste Collection

Several of the abovementioned studies included investigations into the viability of waste kerbside collection. Council never progressed with implementing kerbside collection and anecdotally, this was due to community resistance and / or Council not having the appetite to proceed.

Addressing Planned Locational Urbanisation / HERSLUP

The announcement by the Northern Territory Government (NTG) to expedite the development of the Holtze to Elizabeth River Sub Regional Land Use Plan (HERSLUP) and the NTG's intention to bring development to the market as soon as practical, has resulted in a revised focus and urgency on Council to revisit its position on kerbside collection.

It is understood that some members of the NTG are concerned whether or not Litchfield Council will be able to service such a large development, including kerbside collection. It is considered of utmost importance that Council demonstrate through proactive research, planning and implementation, that it is and will be capable of providing services to the proposed Holtze/Kowandi area.

There is a significant risk that if Council fails to actively demonstrate its willingness, commitment and ability adequately, that it will provide the NTG and other stakeholders the opportunity to argue that the Holtze/Kowandi area should be incorporated into Palmerston City.

Other initiatives that Council have already progressed in this regard will be the subject of other updates/reports. These are not discussed in this report. The focus with this report is to gain elected members' in-principal support to proactively progress further investigation and preparation of a business case to implement kerbside collection to some part of the municipality.

Impacts on Integrated Waste Management Cycle

It is important to note that waste management is an integrated activity and any change in one waste activity could have financial and operation impacts on other waste activities and could even result in unintended detrimental consequences. It is therefore important that a wholistic approach is prudent when consideration is given to change in any waste activity.

The inclusion of kerbside collection to selected portions of the municipality will potentially have profound impacts on other waste activities, including the quantum of waste collected, managed and disposed at the three transfer stations. It is therefore important that other waste activities that could be impacted by the introduction of a kerbside service must form part of any business case preparation.

Requirements of a Business Case for Kerbside Waste Collection

Consultants with appropriate experience and demonstrated expertise will be invited to provide quotations to carry out a business case. The scope of service will include the following.

- Review of previous studies, reports and documentation prepared, with consideration of operational changes implemented to date, in order to avoid duplication and wasted resources.
- Collection of relevant data associated with the Holtze/Kowandi development, including consideration of the staging of development.
- Determination of potential kerbside collection routes outside of the Holtze/Kowandi area.
- Preparation of a business case for kerbside waste collection which will include economic modelling with cost-benefit analysis of the kerbside collection as well as inter-related issues around waste management practices and the expected financial and operational impact on the waste transfer stations.

- Analysis into the potential consolidation of three transfer stations to two.

The risks associated with not proceeding with going to market for professional services to undertake a business case is discussed under the risk section below. However, it cannot be over-emphasized how important this project is for Litchfield Council's financial viability into the future.

Links with Strategic Plan

Everything You Need - Waste and Cleanliness

Legislative and Policy Implications

Litchfield Council Waste Strategy 2018 – 2023

Risks



Service Delivery

Kerbside collection is generally considered as a nice-to-have by most of our residents. However, the to-be Holtze/Kowandi residents will most likely expect kerbside collection considering that the area is near Palmerston City and there will therefore be a tendency to expect similar urban levels of services as is provided in Palmerston City.

Financial

There is a significant risk that if Council fails to actively demonstrate its willingness, commitment and ability adequately, that it will provide the NTG and other stakeholders the opportunity to argue that the Holtze/Kowandi area should be incorporated into Palmerston City.

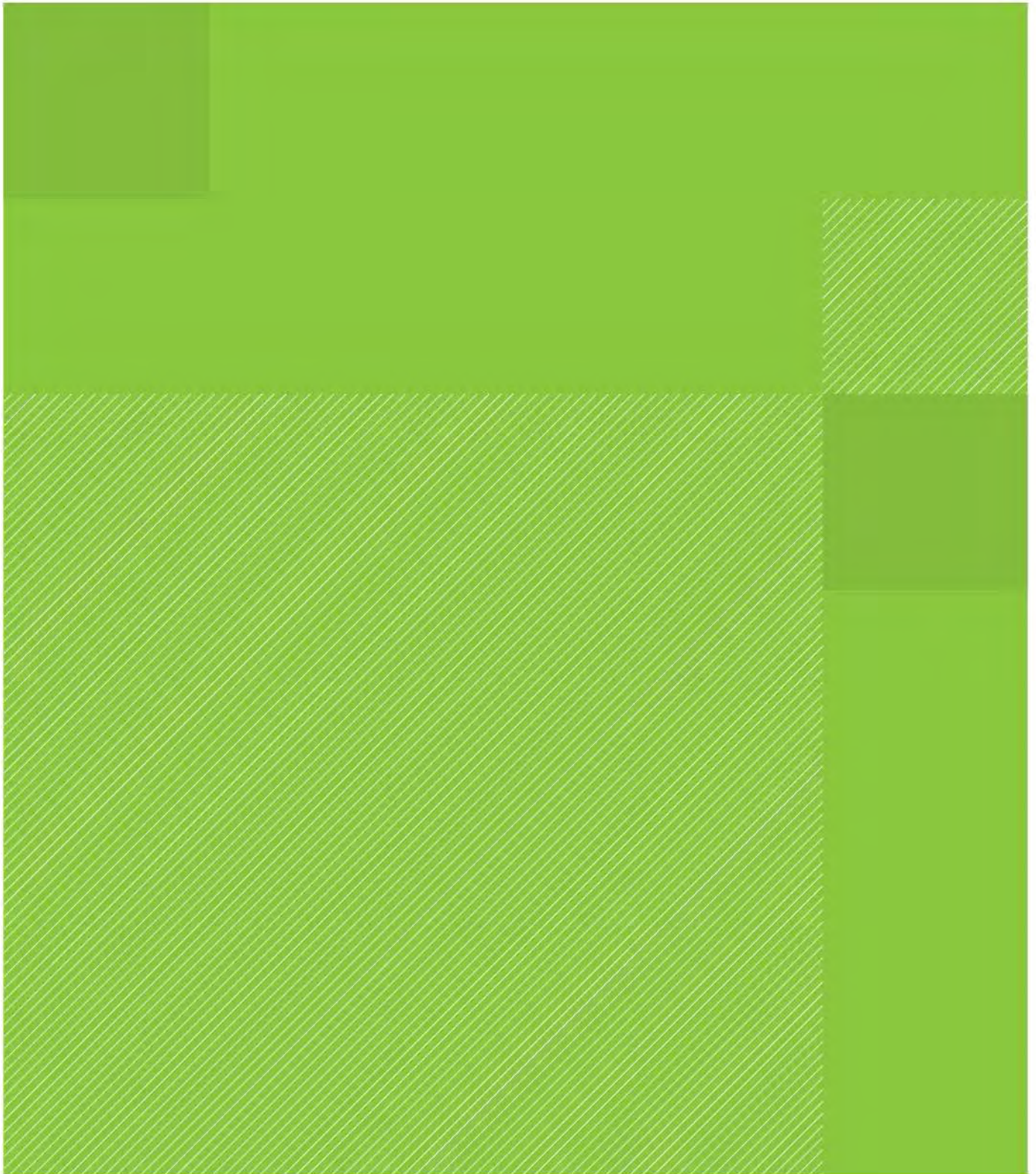
The financial risk should Council not proceed with this project is substantial. There is no doubt that if Council lose the rate revenue of the to-be Holtze/Kowandi suburb, it will have profound financial implications on the sustainability of Litchfield Council for several decades into the future. The quantum of the financial impact will be presented to Council in Nov 2021 through a separate report.

Community

Based on anecdotal evidence there is expected to be a mixture of support and opposing views by the community and other stakeholders regarding any change of level of service and associated potential cost increases as a result of kerbside collection. Community consultation will form an essential part of implementation of any change in services. Community consultation will not occur as part of this project and will be carried out as a future activity once Council adopts a position on the way forward.

Community Engagement

Community consultation will form an essential part of implementation of any change in services. Community consultation will not occur as part of this project and will be carried out as a future activity once Council adopts a position on the way forward.



**Summary of Findings
Litchfield Waste Review
Litchfield Council**

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30 April 2010
Revision 3

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
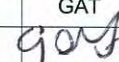
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3	30 April 2010	Final Issue to Litchfield Council	TS	TU	OF	GAT
						

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Appendix A

Summary of some NT and Qld Council general commercial fees

Appendix B

Site visit photographs and general comments

Executive summary

Litchfield Council has engaged Aurecon to provide a review of waste management operations with a focus on seven key questions/tasks. An extract from the brief identifies the scope of the review to include:

- Review the current waste management practices at the three Transfer Stations.
- The viability of a roadside pick up service for some of the district centres in the municipality. For example Howards Springs and Knuckey Lagoon. What would an order of cost be? Could the pick up service be carried out by extending the Darwin City Council contract.
- The impact of new Federal and Territory Legislation (including EPA) on the handling of waste (Carbon Tax etc.)
- The opportunity available for recycling goods and the methods of collecting.
- The conversion of green waste to mulch and improved methods to bring about a reduction in volume.
- The investigation of future sites for landfill to service the Litchfield Municipality.
- The rationalisation of the number of Transfer Stations in the Litchfield Municipality including the possible closure of the Howard Springs Transfer Station.

Throughout the project Council has sought definitive recommendations with regard to some issues. This report does not provide definitive recommendations in a number of areas as Council feedback and input is required in order to make these decisions.

Within waste management, it is important to make decisions with the entire system in mind, as each part of the system will impact upon the operation of other parts. In addition many of the decisions made have a political impact which must be considered.

The findings of the review are presented in the manner in which Council has asked the relevant questions as above. Key findings are presented in this Executive Summary only. In future work Council will need to consider how these components need to fit together in order to define a way forward.

Further work will also be required with regard to the manner in which Council operates its new Humpty Doo facility as it is outside the scope of this work.

Review of current activities at waste transfer facilities

Waste transfer facilities at Litchfield Council are typical of the operations of many smaller Councils in Australia. Council indicated initially that its main focus is on cost reduction, and the development of a new landfill was one option Council considered it could reduce costs through. The network of existing transfer stations would be required in order to service a landfill.

The facilities are generally operated in a relatively lean manner, and there are limited opportunities to realistically significantly reduce cost. Most areas identified during the review would most likely increase cost, rather than decrease it. The days of poorly run local landfills have passed in Australia, particularly in provincial areas such as Litchfield. Areas considered in general include:

- Compaction
- Contract structure
- Fee structure and cost recovery.

These are commented on below.

Compaction

In order for the installation of compaction equipment to be warranted, the reduction in transport costs must outweigh the additional fixed costs for the installation of the compaction equipment. In addition, the installation of compaction equipment will almost certainly require full time supervision of facilities which will further alter the breakeven point.

Small rural compaction systems are available and in use in the United States which may reduce capital costs, however these units do not provide the same level of service as is currently provided by Council and do not cater for bulky wastes.

It is absolutely critical if compaction is installed to keep the public away from direct access to the hopper. Dependant upon the requirements for upgrade to facilities to meet these needs, the introduction of compaction does not break even for the Howard Springs or Berry Springs facilities.

The introduction of compaction equipment is not recommended for the current Humpty Doo facility, although dependant on other decisions Council makes (such as the introduction of kerbside collection, and any requirement for alteration to the facility) it is likely to breakeven at the new Humpty Doo facility.

Contract structure

Council will need to review the current contract structure prior to renewing it. The development of the new Humpty Doo facility is likely to impact upon this, as it is beneficial to integrate transport services. Given the small nature of the transport task, Council is likely to receive a benefit by ensuring that one contractor can provide services to all facilities with one type of vehicle.

Fee structure and cost recovery

Whilst general rates are likely to have a place in funding waste management operations for some time to come, Council should consider the introduction of more transparent charging mechanisms, particularly user pays charges at the gate.

Subsidisation of users provides little in the way of price signals to promote behaviours to reduce the amount of waste generated.

Council may wish to introduce user charges for commercial users initially; however this would depend upon Councils willingness and ability to accept commercial waste at its facilities. A viable option seems to be allowing the receipt of commercial waste at humpty Doo only and charging at this facility.

A range of options for charging are presented within this document, however firstly Council must consider whether user charges are warranted. A review of the current structure is considered to be warranted, as the current structure, whilst popular, is not considered appropriate in the future as greater emphasis is placed on resource management.

Councils costs are also likely to increase over time, so the ability to recover costs from a number of streams will assist in this regard.

Viability of kerbside collection

General physical and financial viability

The provision of kerbside collection of waste is considered normal in most parts of urban Australia. Given the growth in Litchfield it is considered imminent that the community will expect the kerbside collection of waste.

The collection of kerbside waste is generally considered physically and financially viable. Council will however need to consider the physical location the services are provided. Financially the viability will depend upon how Council measures any increase in cost as a kerbside service represents an increase in service and should not necessarily be compared against current costs.

Extension of Darwin contract

The extension of the Darwin contract is not considered to be warranted for a number of key reasons. The Darwin City Council has indicated it does not consider this option appropriate. Both Darwin and Palmerston City Council contracts do not allow the use of contract vehicles outside the contract.

Council can procure these services should it desire. The fact that an extension is not appropriate does not preclude further action in this area.

Impact of future legislation

Key legislative changes which might impact upon Litchfield include the introduction of the Carbon Pollution Reduction Scheme (CPRS) and changes to the management of waste in the Northern Territory.

Both of these avenues of change have not been finalised and so definitive comments can not yet be made. The key potential impact of the CPRS is an increase in the cost of disposing of organic waste in particular. The Shoal Bay landfill to which Council currently disposes of its waste is likely to be covered by the CPRS in its current form which will likely result in an increase in gate charges. Another key risk with regard to the CPRS relates to Council's questions to whether it should develop its own landfill. The CPRS places significant questions over the outcome of any potential business case with regard to the development of a landfill.

The department of Natural Resources, the Environment, Arts and Sport (NRETAS) is in the process of reviewing its operational requirements for landfills in the Northern Territory. Any future waste management operations are likely to require a much higher standard of operation in line with other States in Australia. Council would not be in position to develop and operate a landfill in the manner in which it has in the past. Further the operations of Council's transfer stations may well also be impacted upon.

Opportunity for recycling and methods of collection

Kerbside collection service

The kerbside collection of recyclables is viable in much the same way as the kerbside collection of waste is as raised above. The key difference is the requirement for a Materials Recovery Facility (MRF) rather than a landfill to manage the material collected.

Cleanaway operate a MRF in close proximity to Litchfield. Preliminary discussions were held with Cleanaway with regard to its capacity which did not confirm the capacity of the facility, however, Litchfield is not expected to generate a significant volume of material for processing.

Recent surveys conducted by Council indicate there is a strong call for the introduction of greater levels of recycling in Litchfield.

Contract structure

Council's current contract structure requires the diversion of the public with recyclable waste however, the contract payment structure does not incentivise the contractor to perform this. In addition the contract does not require full time supervision of the facilities and so it is inevitable that a certain amount of recyclable material will pass straight through to disposal.

Council needs to review its contract structure with regard to recycling at the transfer stations.

General

The general provision of recycling at Councils transfer stations is similar to small Councils in many areas of Australia. Given Litchfield's small size it is unlikely to generate enough volume to warrant any arrangement which is not already in place and operating already in Palmerston or Darwin.

Conversion of green waste and reduction in volume*Current operations*

Council currently manages green waste in a manner similar to many similar sized Councils in Australia. Green waste is likely to become a more costly item to manage as the CPRS will focus on this type of organic material. Material received is currently mulched and Council has difficulty disposing of the mulched material. This is generally likely to be a result of the cost at which Council is seeking to sell the material.

Council has indicated a willingness to require land owners to manage green waste on their own properties. This is logical for larger properties, however Litchfield is experiencing significant growth and it is not considered likely that this would be tolerated for any period of time.

Contract structure

Council's contract structure has deficiencies in the management of green waste and this will need to be reviewed in the development of new agreements. Generally the document is unclear with regard to responsibility. Council needs to consider the various risks of managing the material and allocate risk accordingly.

Fee structure and charges

No charges are levied for the disposal of green waste at Councils various facilities. A nominal fee could assist in reducing the cost to Council. Further, the sale price of the mulch currently generated is greater than material reported to be available locally so generally people will take a cheaper product where it is similar in quality.

Council is unlikely to make a profit from the management of green waste in its current form. It may need to change the perspective in which it views its costs, and relate them to savings made in avoiding disposal to landfill, rather than costs additional to burning (which is no longer acceptable).

Potential future landfill*Potential cost*

The cost to develop a new facility is likely to be in the vicinity of \$4M to \$6.5M just for set up. Operating expenses in the first year are likely to exceed \$500k. Should Council not be in a position to invest this level of capital then it should not proceed further with regard to this own landfill.

The life cycle cost of developing a facility will vary but could be marginal to what Council currently pays. Modelling is sensitive to population growth and the appropriate WACC. Should Council wish to proceed a proper feasibility and business case should be developed.

Risks

Key risks in the development of a new facility relate to the introduction of a CPRS and the increased standard which NRETAS will require. Council will not likely be able to operate a facility to which it might be accustomed and therefore additional resourcing and expertise will be required.

Regional opportunities

Clear regional opportunities were identified during the progress of the project. Particularly the Palmerston City Council and perhaps other Councils to the south of Litchfield.

NRETAS identified its acceptance of potential regional options and Palmerston also identified opportunities. Any regional options may reduce the overall cost per tonne of the facility.

Institutional arrangements would need to be considered as it is unlikely that individual Councils would deliver the landfill in the most efficient manner. An incorporated or other single entity perhaps owned by the Councils may well be the most appropriate delivery mechanism for a regional facility.

Rationalisation of transfer stations

General

Council operates three transfer facilities which are relatively evenly spread. As Council does not provide a kerbside waste collection service, these facilities are relatively close, however not overly so. Council is experiencing pressure with regard to the operation of its Howard Springs facility particularly with regard to its use by residents from other Councils, and its proximity to the Humpty Doo facility.

There is the potential for the closure of the Howard Springs facility, however it is not likely to result in significant savings due to additional transport from Humpty Doo. Further the majority of growth at present appears to be in the Howard Springs area due to its proximity to Darwin.

There may be other opportunities to consider this facility from a regional perspective.

Regional opportunities

The general public typically seek to utilise a facility which is most convenient to it. Howard Springs is close to the border with Palmerston City Council, and the Palmerston City Council's Archer facility is on the other extremity of that Council.

Palmerston Council has indicated that it does not expect a long life from its current Archer facility due to the short supply of land in its municipality and the potential for the facility to face urban encroachment. At this point (or before) Palmerston may well be in the position of seeking to develop a facility. An opportunity exists for Palmerston and Litchfield to structure a deal to allow residents of both Councils to use this facility.

The development of a regional infrastructure plan is warranted with the potential for the Weddell area being developed along with pressures both Litchfield, Palmerston and other Councils are likely to face with regard to facility location and costs.

General comments

Council has sought to address a number of areas, however a number of these issues require questions to be answered and decisions to be made by Council during the process in order to allow for the introduction of an appropriate strategy. There will be the requirement for additional work following this review in order to integrate these issues and to consider each relevant issue in detail.

1. Introduction

Aurecon have been engaged by the Litchfield Council to perform a review of waste management operations by the Council. This report represents the findings of that review to date.

1.1 Background

The Litchfield Council was formed in 1985 and is located south of Darwin. The northern most boundary of the Council area adjoins the Darwin City Council municipal area and is only around 16 kilometres from the Darwin city centre. The southern parts of the Council area extend to more than 70 kilometres from the Darwin city centre.

The Litchfield Council has a population of over 18,000 people and is experiencing significant growth in excess of 9% over the last few years. The majority of this growth is in and around the Howard Springs area in the northern part of the Council.

The provincial nature of the northern part of the Council to Darwin is creating growth and bringing pressure for Council to review the way in which it provides many of its services. Litchfield Council has adopted a low rate model in the past, which will create additional pressure on the ability of the Council to provide waste management services

The Department of Natural Resources, Environment, the Arts and Sport (NRETAS) is in the process of reviewing the management of waste in the Northern Territory and standards of operation have been increasing over recent years. Litchfield Council has experienced this pressure with the closure of its Humpty Doo landfill by the Northern Territory government in 2006.

Population growth and the provincial location of Litchfield, the low cost service model and pressure relating to the standard of waste management have triggered the need for a review of waste management operations in the Litchfield Council area.

1.2 Scope and key questions

Litchfield Council have asked a specific set of questions/tasks in reviewing their waste management. Given the available time and budget, the proposal and subsequent project has focused on addressing these questions/tasks and so this document is structured around the various questions/tasks. The scope was identified as (extract from request for fee shown below):

- Review the current waste management practices at the three Transfer Stations.
- The viability of a roadside pick up service for some of the district centres in the municipality. For example Howards Springs and Knuckey Lagoon. What would an order of cost be? Could the pick up service be carried out by extending the Darwin City Council contract.
- The impact of new Federal and Territory Legislation (including EPA) on the handling of waste (Carbon Tax etc.)
- The opportunity available for recycling goods and the methods of collecting.
- The conversion of green waste to mulch and improved methods to bring about a reduction in volume.
- The investigation of future sites for landfill to service the Litchfield Municipality.
- The rationalisation of the number of Transfer Stations in the Litchfield Municipality including the possible closure of the Howard Springs Transfer Station.

Council indicated early in the project that it was driven mainly by cost. Containment of cost was a key objective. This was a key focus in the early review and throughout the completion of the project it became apparent that the current waste management system already represented a relatively lean operation, and that costs would likely increase into the future. Council as a result sought more information of cost recovery options.

1.3 General project process

The current phase of in scope work has considered the potential options in many areas where questions have been asked. Clear recommendations however can not be provided without clear feedback from the Council on its future direction. For example, recommendations for a weighbridge would not necessarily be made unless Council decided to introduce a mechanism for user charges at the gate.

Further work has been requested and identified by Litchfield Council during the conduct of the work which will be addressed in further phases of the project. A summary of the general process can therefore be seen to include:

- Phase one scope (current)
 - Obtain relevant data and analyse
 - Complete site visits and stakeholder interviews
 - Review general operations and comment
 - Analyse options in qualitative/quantitative manner and comment
 - Present options and findings to Council.
- Phase two scope (future – to be defined)
 - Review operations at future Humpty Doo waste transfer facility
 - Review feedback from Council
 - Complete additional work as required
 - Workshop issues and options with Council officers
 - Identify and present recommendations.

1.3.1 Activity to date

A range of activity has occurred to date, including:

- Interviews with key stakeholders
- Site visits
- Research
- Modelling and analysis.

There are two key areas where the proposal sought a different approach, in order to ensure value for money for Council. These are:

- Go/no go analysis for the landfill question only. A significant amount of money can be spent on reviewing suitable landfill sites with no outcome. Our focus is on identifying if a new landfill would be considered by authorities, and whether Litchfield could compete with the current prices at Darwin.
- A formal report will not be provided. In order to save on expenses a presentation will be provided with a summary of outcomes in presentation format.

Meetings with key stakeholders

Aurecon to date have conducted a number of meetings with key stakeholders, including:

- **1 December** - Gerry Wood MLA
- **2 December** - Council Officers – including the CEO, and other managerial, operational and administrative staff
- **3 December** - Cameron Smith from CS Services

- **3 December** - CEO and Director of Technical Services from Palmerston City Council
- **3 December** - Manager of Climate Change and Environment and Environmental Support Officer from Darwin City Council
- **3 December** - Relevant Officers including Manager of Environmental Operations in the Department of Natural Resources, Environment, The Arts and Sport (NRETAS)

In addition to these meetings a number of discussions were held with other parties related to the management of waste in Litchfield or in the region, including contractors such as Cleanaway and other recycling operators in the region.

Where recorded, notes for these discussions are attached in Appendix A.

Site visits

Site visits were conducted on 2 and 3 December 2009, and included:

- Howard Springs transfer station
- Humpty Doo transfer station
- Berry Springs transfer station
- Palmerston landfill and transfer station.

In addition to these specific sites, the general Litchfield area was visited to gain an understanding of the potential to perform and carry out a kerbside collection service. Key areas visited included:

- Berry Springs
- Coolalinga
- Howard Springs
- Humpty Doo
- Virginia.

Potential landfill sites were not visited in accordance with our proposal.

Modelling and analysis

Certain cost estimates have been prepared at this point related to individual components of the waste management system. Cost models include:

- Cost for kerbside collection of waste
- Cost for kerbside collection of recyclables
- 'Back of envelope' cost for landfill development
- Bulk transport cost for various transfer scenarios
- Break even cost estimates for compaction at transfer stations.

To date up to 60 models have been prepared including a range of scenarios and assumptions to consider sensitivity. Details, assumption and scenarios are provided in the relevant sections below.

Feedback and review

Feedback on initial findings have been sought from Council and further review conducted where appropriate. Some issues identified are outside the scope and an additional phase of work will be negotiated. Comments on the new Humpty Doo waste transfer facility is one area in particular where additional out of scope work has been requested.

This additional work resulted in a slight extension to the original timeframe for completion of the work.

2. Review of current practices at waste transfer facilities

This section is presented in four key sections based upon discussion with Council relating to the key outcomes sought:

- Site visits and general comment
- Compaction
- Contract structure
- Fee structure and cost recovery.

2.1 Site visits and general comment

Site visits were conducted to Councils waste transfer facilities in December 2009. For a community the size of Litchfield the facilities were considered quite well presented. Many Councils with populations similar to the areas serviced in Litchfield operate lesser standard facilities or do not have transfer stations at all. The use of transfer stations is generally considered to represent a better environmental outcome than the use of many small local landfills, as it results in larger better managed and designed landfills receiving waste material.

Council could consider a greater level of consistency between sites. The layout could also be considered to make diversion of materials which can be recycled easier for users, typically move through recycle areas first then on to disposal point last. This is not always easy to achieve, particularly with limited supervision as it is difficult for staff to physically supervise all areas and customers.

RORO bins have been fabricated from old shipping containers. The shipping containers do not appear to be handling use as waste containers and have been punctured by the hook on the truck. In addition, many of the containers appeared to have holes in the bottom of them. In most jurisdictions within Australia, containers designed for holding waste must be impermeable to the material they hold. Typically specially made waste containers are required in order to withstand the requirements of the waste industry. In many cases today, harder, and/or thicker steel is also used in order to increase longevity. Any new contract in the future should consider the containers being used, and generally not accept converted shipping containers.

Specific comments are provided for each facility below. Comments are general in nature and inspections did not involve 'combing' every part of each site, rather a walk over of the main accessible areas.

2.1.1 Howard Springs

On the day of the visit the site appeared well presented with little or no litter evident and the grass well maintained. Further general comments have been detailed below and relate to the photographs provided (refer Appendix B). Other comments on potential minor upgrades or other capital requirements have been made in 2.1.4.

Table 2.1 Photographs and comments for Howard Springs site visit

Photograph Number (refer Appendix B)	Comment
1	Site benefits from good clear signage for the site user
2	Fire break around the site is well maintained

Photograph Number (refer Appendix B)	Comment
3	Site benefits from a caretaker and contractor being based in site
4	Some ponding was noted in the green waste storage areas - hardstand could be increased by council although it is recognised this is difficult to maintain in the a garden waste areas
5	Steel drums should be removed and stored securely preferably in a bunded area
6	Battery and pallet storage should be corrected. Batteries should preferably be stored in a bunded and covered area.
7	Visual inspection of Mulch appeared to be of good quality with minimal low contamination
8	Significant amount of palm fronds observed in the green garden waste pile on the site
9	Scrap Metals area on the site could benefit with the addition of hardstand to aid the public access
10	Battery storage and Oil disposal areas should preferably be covered and bunded, Council may wish to consider this for future improvement or upgrade
11	Council may wish to consider fall protection in front of bins to reduce the risk of falls into the collection containers by contractors or the general public
12	Bins are retro fitted shipping containers rather than purpose built waste bins. The bins observed, were not coping with the levels of compaction and general handling. Tearing and sharp edges are evident on this container
13	Council may wish to consider installing flaps over the gaps between wall and bin to reduce spillage between the wall and the bin

2.1.2 Humpty Doo

The site appeared well presented although generally not as well maintained or presented as Howard Springs. Further general comments have been detailed below and relate to the photographs provided (refer Appendix B). Other comments on potential minor upgrades or other capital requirements have been made in 2.1.4.

Table 2.2 Photographs and comments for Humpty Doo site visit

Photograph Number (refer Appendix B)	Comment
1	Site benefits from good clear informative signage to aid the site user
2	Site benefits from contractor staff being based on site
3	Battery storage should be corrected. Batteries should preferably be stored in a bunded and covered area
4	Evidence of illegal waste disposal on land adjacent to the Humpty Doo site. Council should aim to remove waste to discourage more materials from being illegally disposed of in the same location
5	Evidence of run off from mulch – this can be potentially difficult to manage and dispose of.
6	Scrap metals not stored on hard standing. Potential safety issues for the public to place materials in to the RORO container. Council may wish to consider a ramp for ease of access for public, or ensure contractor uses machinery to load RORO
7	Oil disposal areas should preferably be covered and bunded, Council may wish to consider this for future improvement or upgrade

Photograph Number (refer Appendix B)	Comment
8	Bin storage area would benefit from additional concrete sealing and increased drainage and leachate control
9	Garden waste storage is separate and clearly signed from main disposal areas, material appears relatively clean on the day of the visit
10	Garden waste area could benefit from hard standing to reduce levels of ponding
11	Council may wish to consider fall protection in front of bins to reduce the risk of falls into the collection containers by contractors or the general public. The introduction of flaps between bins and the wall will decrease the levels of waste dropping between the wall and the RORO
12	RORO Bins used on site are manufactured from shipping containers rather than purpose built waste bins. The bins observed, were not coping with the levels of compaction and general handling. Tearing and sharp edges are evident on this container
13	Gas bottles stored on site should be removed
14	Drainage from transfer bin area to surface water was clearly evident in day of visit. Council may wish to consider improved drainage and leachate catchment on site
15	Leachate from bins drains to surface water clearly evident in this photograph. Council may wish to consider improved drainage and leachate catchment on site and the installation of roofing over the bins to deflect rainfall
16	Improved hard standing to reduce the potential for ponding
17	Internal fencing and delineation on this site could be reviewed and upgraded. Evidence of Gas cylinders being used as delineation should be removed

2.1.3 Berry Springs

The site was well presented with clear signage and virtually no litter. Further general comments have been detailed below and relate to the photographs provided (refer Appendix B). Other comments on potential minor upgrades or other capital requirements have been made in 2.1.4.

Table 2.3 Photographs and comments for Berry Springs site visit

Photograph Number (refer Appendix B)	Comment
1	Scrap bin is well located on sealed area
2	Council may wish to consider protection measures to reduce the likelihood of the general public falling into the disposal container
3	Garden waste storage area would benefit from installation of hard standing to alleviate ponding of water as shown in the picture. Also evidence in this photo of periodic burning of Green Waste.
4	Site area for Green Waste storage would benefit from a tidy up. Removal of none Green Waste materials will reduce the likelihood of contamination of Green Waste/Mulch
5	Bin area is presented in very clean and tidy manner
6	Evidence of Leachate from bins no capture of fluid and it is currently allowed to drain away
7	Leachate from bins disperses across sealed areas on the site

2.1.4 Potential upgrade and capital requirements

Development of an infrastructure plan is outside the scope of this review; however some general comment can be made about the need for minor upgrades or other capital requirements at this point. Having said this, any potential upgrade here needs to be taken in light of decisions and the future operation of the waste management system in general. For example, facilities for staff would not be required without the decision to supervise sites.

Potential upgrades Council may need to consider include:

- Installation of roofing over bins to reduce ingress of water to bins
- Installation of fall protection
- Consideration of amendment to approach ramp to promote reversing of vehicles at facilities rather than 'drive by'
- Installation of a purpose built area for oil and batteries including bunding and roofing (oil and batteries must not be stored together)
- Formalise recycling areas with delineation and hardstand
- Replace waste containers (RORO) with purpose built waste containers
- Increase hardstand and attend to drainage for green waste areas
- Consider control of sediment and leachate from green waste areas
- Install leachate containment equipment to allow pumping
- Consider a ramp for ease of use of scrap metal bins
- Installation of flaps to reduce spillage of waste between bin and retaining wall
- Additional concrete at Humpty Doo bin pick up area (generally not recommended due to new facility being constructed)
- Where supervision is required – staff facilities.

Timing of this work would depend upon Councils capital budget and capacity to pay which has not been considered at this point.

2.2 Compaction

A back hoe machine is available full time at the Howard Springs and Humpty Doo sites which 'tamp' down waste material in RORO bins to increase compaction. A machine is apparently available periodically at Berry Springs also.

The use of machines to tamp waste coupled with the per tonne rate structure of the contract, (payment per tonne for transport) has resulted in the average tonnes of waste per load for each site increasing significantly. This can represent a risk for a contractor, for sites such as Berry Springs, although this was not raised by the contractor as an issue.

Figure 2.1 shows the average payload by month for a period in from March to August 2006, and then 2008 and up to September 2009. It can be clearly seen when the new contract was entered as the average tonnes per load increased. This will represent the change to the tonnage rate as opposed to the per load rate. It can be seen that Berry Springs is slightly lower; however its average payload has also increased.

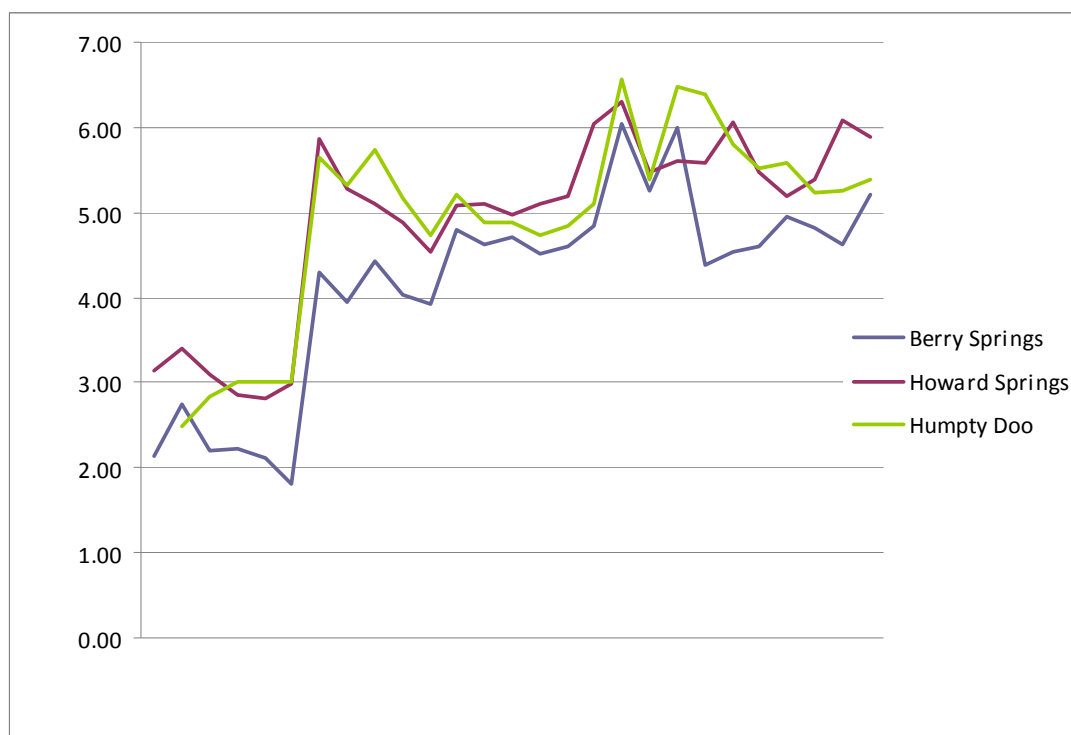


Figure 2.1 Average tonnes per load by month

The introduction of a machine on site will have resulted in better management of each site, as well as greater compaction in the RORO bins. Council has been approached by a compaction sales company to consider the introduction of compaction at its various facilities. It must be noted that a machine will still be required on site even if compaction is introduced in order to manage green waste, scrap metal etc.

The introduction of compaction does not always result in a cheaper operation. As noted above, the existing machine would not realistically be removed and so can not be factored into the equation. Further, the reduction in transport costs must be sufficient to cover the fixed cost of the compaction equipment and its operation and maintenance.

Three key cost factors have been prepared in order to assess the transfer operations:

- Bulk transport cost modelling
- Compaction costs
- Breakeven analysis including both transport and compaction costs.

The bulk transport costs are built up to identify the most efficient transport option for each facility. Whilst a particular transport option may appear to be efficient, the utilisation of the vehicle may not result in the highest level of efficiency in use. For example, the use of a B-double transport option is likely to be cheaper for bulk materials handling, however if the vehicle is not fully utilised or there is slower loading for example, then this options may not end up being the most cost effective.

In order to consider this factor, a number of models have been built up for each transfer station, with different configurations, and then with actual utilisation for each facility, as well as optimum utilisation. This will give the current cost of transport from a given facility, as well as the cheapest option where all vehicle configurations are fully utilised. The actual run of a truck has not been constructed for this exercise.

Compaction costs build up the cost per tonne cost for each transfer station for the installation and operation of a compaction unit.

The breakeven figure is a comparison of the transport costs without compaction, and the transport and compaction costs with compaction, in order to identify the point at which it becomes feasible to introduce compaction.

All three transfer stations were modelled.

Configurations modelled for each transfer station include:

- 6 x 4 RORO – current configuration
- 6 x 4 RORO with compaction
- 8 x 4 with dog RORO
- 8 x 4 with dog RORO with compaction
- Tri-axle multi-lift (60 cubic metre) (new Humpty Doo option only)
- Tri-axle multi-lift (60 cubic metre) with compaction (new Humpty Doo option only)

Two disposal points were modelled for each transfer station, including:

- Shoal Bay
- Humpty Doo (for Howard Springs and Berry Springs only).

Payloads for each option were:

- 6 x 4 RORO – current configuration - 5.5 tonnes
- 6 x 4 RORO with compaction - 9.5 tonnes
- 8 x 4 with dog RORO - 11 tonnes
- 8 x 4 with dog RORO with compaction - 19 tonnes
- Tri-axle multi-lift (60 cubic metre) - 12 tonnes
- Tri-axle multi-lift (60 cubic metre) with compaction - 20 tonnes.

Loading/unloading time was 15 minutes at each leg for all configurations except the 8 x 4 truck and dog options, for which 30 minutes was used. This is due to the need to load/unload two bins at each end.

The model involving the tri-axle multi-lift assumes all waste material is delivered to Humpty Doo from the other transfer stations.

The outcome of the models is shown in the sections below. Difference in price between the existing contract and the modelling will be due to two key factors:

- Modelling is for each site individually, and does not consider total utilisation
- Cost modelling is based upon new vehicles, whilst the existing fleet is not new.

Compactor costs were obtained from a compaction manufacturer who indicated that the same compaction unit would suit each site, for a fee of \$250,000. This price includes a number of bins, which have already been included in the transport modelling. So a figure of \$180,000 is used for the compaction equipment.

The manufacturer indicated that some modification would be required to the existing sites in order to install compaction units. The key factor is to avoid the public depositing waste material directly into the compaction hopper. Where Aurecon design transfer stations with compaction equipment this is a common theme (compaction represents a significant safety issue for the public and site must be supervised). A figure of \$250,000 has been used in order to allow for installation and modifications to the sites. This figure has not been verified.

Compaction capital costs have been financed and depreciated over a period of ten years at 9% interest. Including operating expenses, the total cost of compaction at each site (excluding supervision) is \$68,350. In order to analyse the sensitivity of the model to the upgrade cost of \$250,000, breakeven has been conducted with no upgrade costs. There will be an upgrade cost, so the actual breakeven will be above the sensitivity. The cost excluding upgrade and supervision for a compaction unit is around \$32,100 per annum.

Should Council wish to install compaction equipment, it would be very unwise to do so without full time supervision and modification of the sites to ensure the public can not access the compaction equipment. This is a significant safety and liability issue. Supervision costs have not been considered, however Council would need to determine if supervision is an additional cost, or marginal.

Council has raised the potential for small rural transfer compaction units which have been viewed in use in the US. This particular type of compaction unit has not been reviewed as part of this exercise, due to the time at which the issue was raised. The key factors in the decision to introduce compaction relates to the breakeven between transport and fixed costs. Unless the transport cost is reduced by more than the fixed cost of the compaction unit, then compaction is generally not warranted from a financial perspective.

Smaller community compaction units have been reviewed in the past, and one key factor which arises is the fact that these facilities only cater for small sized domestic waste. Any other larger bulky items do not fit into the compaction unit.

2.2.1 Howard Springs

The current transport rate for Howard Springs is \$26.24. The results of modelling are shown Table 2.4.

Table 2.4 Bulk transport cost outcomes for Howard Springs

Disposal	Configuration	\$ per tonne	Utilisation	\$ per tonne full utilisation
Shoal Bay	6 x 4	\$36.14	0.39	\$24.07
	6 x 4 Comp	\$28.96	0.22	\$14.07
	8 x 4 Dog	\$41.65	0.27	\$22.57
	8 x 4 Dog Comp	\$37.85	0.16	\$13.25
Humpty Doo	6 x 4	\$32.53	0.35	\$21.89
	6 x 4 Comp	\$26.79	0.20	\$12.59
	8 x 4 Dog	\$38.77	0.25	\$20.35
	8 x 4 Dog Comp	\$35.22	0.14	\$12.46

Howard Springs receives around 4,100 tonnes of waste per annum. This represents a cost for compaction of \$16.67 per tonne. Using the 6 x 4 configuration Figure 2.2 shows the breakeven for the introduction of compaction at Howard Springs is around 9,000 tonnes per annum. The breakeven tonnage with no upgrade cost is around 4,500 tonnes per annum.

Finding - It is unlikely that the introduction of a compaction unit at the Howard Springs facility will result in lower costs in the short to medium term without a significant increase in the tonnage of waste to be transported.

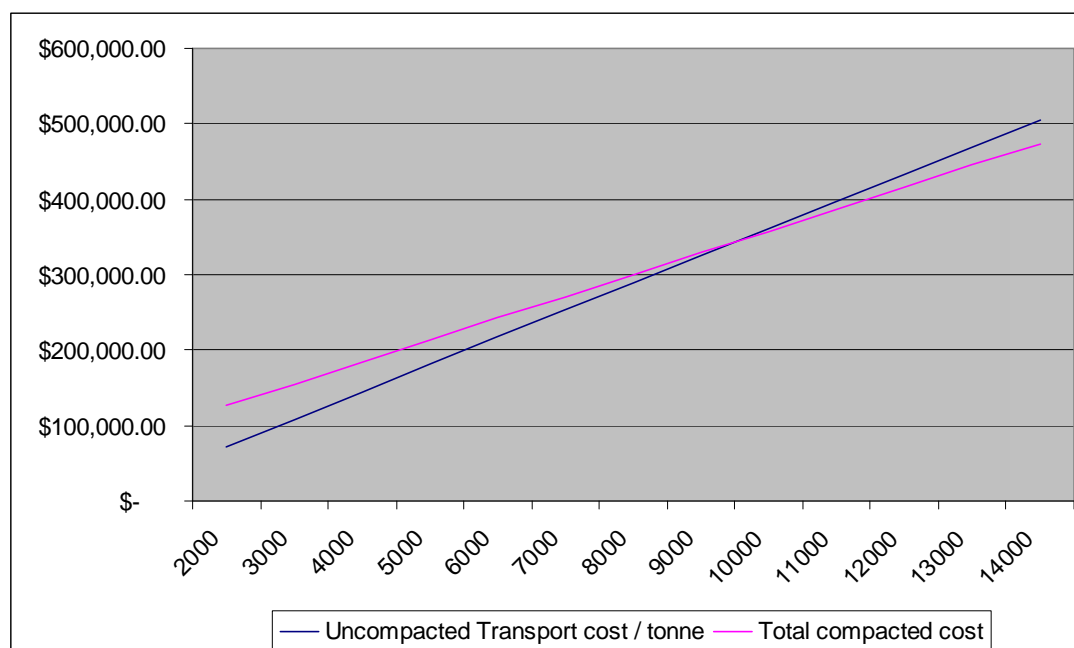


Figure 2.2 Breakeven compaction for Howard Springs – 6 x 4 configuration Shoal Bay disposal

2.2.2 Humpty Doo

The current transport rate for Humpty Doo is \$33.94. The results of modelling are shown in Table 2.5.

Table 2.5 Bulk transport cost outcomes for Humpty Doo

Disposal	Configuration	\$ per tonne	Utilisation	\$ per tone utilisation
Shoal Bay	6 x 4	\$42.50	0.58	\$35.25
	6 x 4 Comp	\$32.00	0.34	\$20.21
	8 x 4 Dog	\$45.74	0.38	\$30.03
	8 x 4 Dog Comp	\$38.20	0.22	\$17.57
	Tri-axle	\$24.97	0.61	\$20.78
	Tri-axle with comp	\$19.38	0.37	\$12.41

Humpty Doo receives around 4,750 tonnes of waste per annum. This represents a cost for compaction of around \$14.39. Using the 6 x 4 configuration Figure 2.3 shows the breakeven for compaction at Humpty Doo is around 7,000 tonnes per annum. The breakeven for Humpty Doo with no upgrade cost is around 3,000 tonnes per annum (it is understood the new facility is a push pit type and so limited upgrade could be expected). Figure 2.4 shows that if a semi trailer configuration was used at Humpty Doo, compaction would breakeven at around 12,000 tonne per annum. The breakeven for no upgrade cost is around 5,500 tonnes per annum using a semi trailer configuration.

Finding – The existing Humpty Doo facility is to be closed in the short term, no compaction is recommended.

The need for compaction at the new Humpty Doo facility will depend upon the manner of its operation; however it is likely that compaction will result in a lower operating cost at the new facility, based around what is known at this point.

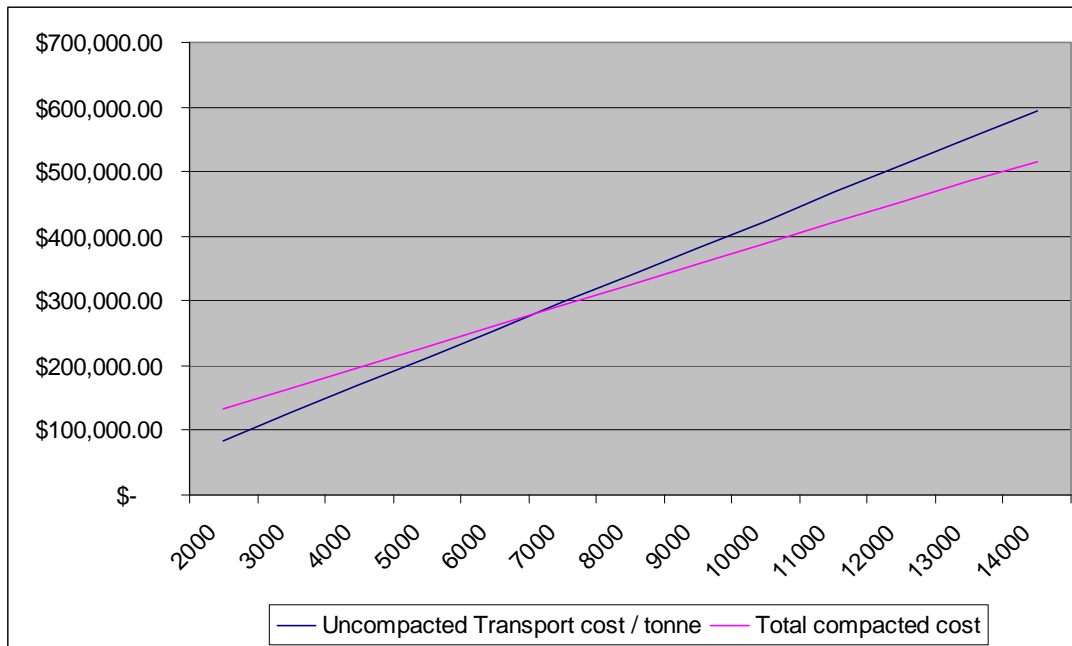


Figure 2.3 Breakeven compaction for Humpty Doo – 6 x 4 configuration Shoal Bay disposal

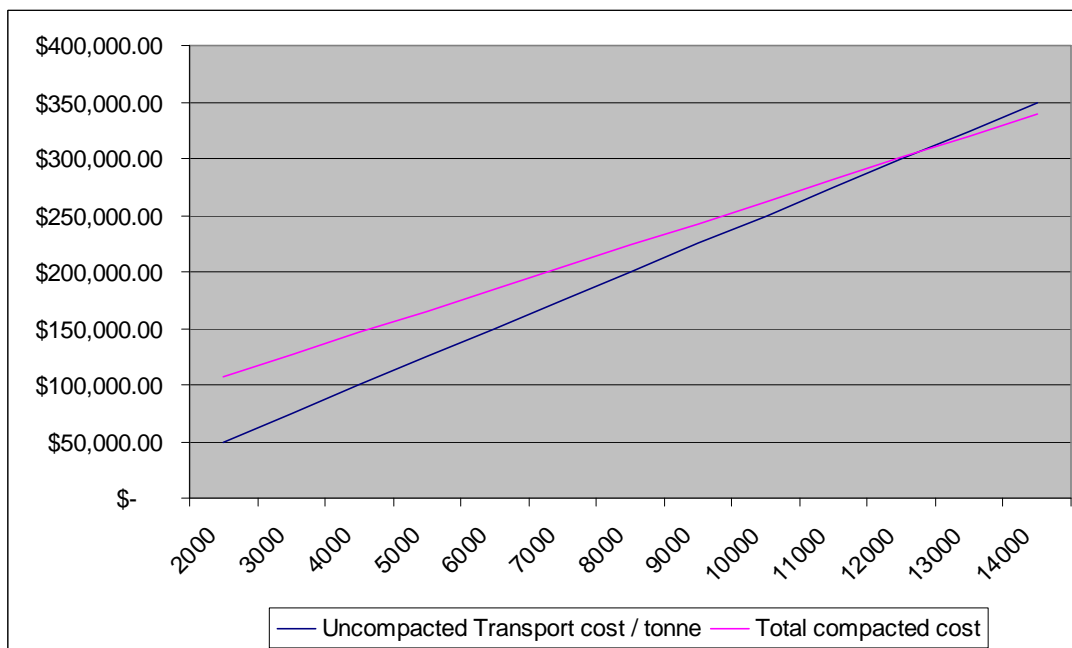


Figure 2.4 Breakeven compaction for Humpty Doo using Tri-axle multi-lift Shoal Bay disposal

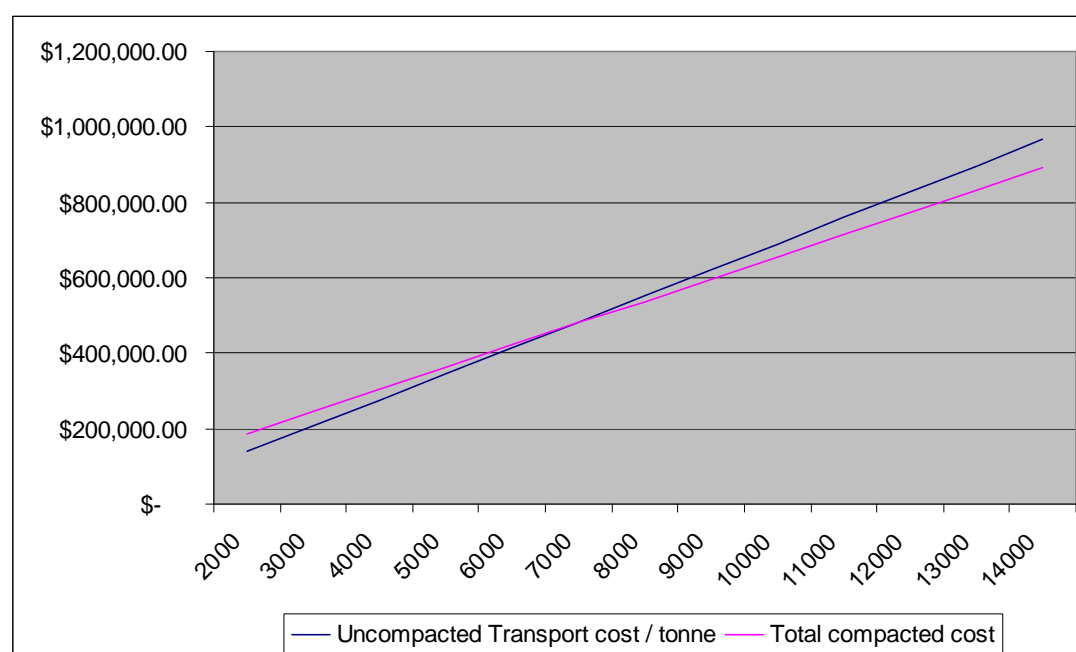
2.2.3 Berry Springs

The current transport rate for Howard Springs is \$62.96. The results of modelling are shown in Table 2.6.

Table 2.6 Bulk transport cost outcomes for Berry Springs

Disposal	Configuration	\$ per tonne	Utilisation	\$ per tonne utilisation
Shoal Bay	6 x 4	\$69.05	0.32	\$40.51
	6 x 4 Comp	\$58.75	0.18	\$23.40
	8 x 4 Dog	\$82.16	0.20	\$33.33
	8 x 4 Dog Comp	\$77.10	0.11	\$19.74
Humpty Doo	6 x 4	\$56.93	0.21	\$26.44
	6 x 4 Comp	\$50.42	0.12	\$15.17
	8 x 4 Dog	\$71.77	0.14	\$23.48
	8 x 4 Dog Comp	\$67.51	0.08	\$13.86

Berry Springs receives approximately 2,000 tonnes of material for transport and disposal per annum. Figure 2.5 shows the breakeven for compaction at Berry Springs is around the 7,000 tonne per annum range for the 6 x 4 configuration. The breakeven for Berry Springs with no upgrade cost is around 3,000 tonnes per annum.

**Figure 2.5 Compaction breakeven for Berry Springs – 6 x 4 configuration Shoal Bay disposal**

Finding – It is unlikely that compaction will result in lower operating costs at Berry Springs in the short term, unless there is a significant increase in the tonnage to be transported.

2.2.4 Overall system

One of the factors to consider in this case is the actual costs from contractors. Further, putting together various total system options will provide an overview of the change to the total cost Council spends on waste management. What may result in a lower cost at one part of the system may end up in a higher total cost once the impacts of other parts of the system are considered.

Finding – The requirement for compaction is linked to the type of transport and the tonnage of waste to be transported. Complete recommendations for compaction can not be made until Council makes decisions with regard to the mix of use of its facilities, and the introduction of kerbside collection of waste and recycling.

2.3 Contract structure

Aurecon is not able to provide legal advice. This section provides some high level comment with regard to issues which have been raised during the project, as well as areas within the contract document which may either contribute to operational issues, or act in a manner which do not potentially create the expected behaviours.

Some of the major issues during the conduct of the project included:

- Commercial waste charging and acceptance
- Management of green waste.

In addition to these issues, Council is currently in the process of developing a new facility at Humpty Doo. Whilst this facility itself is not covered by the contract, how the existing operations fit in with this new facility may well be, for the current and any future contractor. Whilst the new facility at Humpty Doo may be mentioned, it is outside the scope of this exercise.

2.3.1 Commercial waste

The contract does not appear to provide a clear definition of commercial waste. It does however refer to commercial quantities of waste, in clause 5.3. This is also confused with sub clause 1 in clause 5.3 which states; “The contractor shall only allow municipal waste that includes putrescible wastes and solid inert waste from local domestic, agricultural and industrial sources”. A preliminary scan of the *Waste Management and Pollution Control Act* and its regulations do not demonstrate a definition of domestic or commercial waste.

In lay terms, then agricultural and industrial waste might be considered commercial in nature and hence the contractor might be of the opinion (apart from any other direction from Council) that the acceptance of commercial waste is satisfactory.

This is further clarified by sub-clause 3 of clause 5.3 which prohibits commercial ‘quantities’ of waste and defines this to mean greater than two cubic metres. The limit on quantity does not apply to green waste under this clause.

Again, without reviewing the legislation in detail, and having only the documents available, it would appear that there is some confusion as to whether the contractor is required to receive commercial waste. It could be argued that he is required to receive this material, as long as it does not exceed two cubic metres (except for green waste which can) and is not Listed Waste or other waste defined in clause 5.3.

2.3.2 Management of green waste

It is understood that issues exist with regard to the management of green waste at the various waste transfer facilities, particularly with regard to the quantity that is delivered, and the cost of management.

Clause 7 does not include green waste as being recovered for recycling, with clause 8 dealing with the management of green waste. Clause 7.7 however indicates that Council may require that certain food or garden organics be removed and managed at Council’s cost. This section excludes green waste; however no definition of the difference between green waste, and garden organics can be found which can create some confusion, as the terms can be interchangeable within the general industry.

Clause 8 indicates that the relevant green waste schedules are completed, however no record has been provided with regard to this schedule. Upon consideration of what is available in the Contractors tender submission, it refers to 'Future Proposals', which includes a section related to mulching of green waste and sale of mulch to the public after working out a share arrangement with Litchfield Council.

Clause 8.2 creates an obligation to manage green waste, which includes mulching. Again this is not intended to represent legal advice, however based upon the documentation available, it appears as if the obligation to mulch existed, however the contractor never provided a price for this. Without an understanding of the entire contract and its negotiation process, it is impossible to provide a definitive comment on this, except that green waste is a significant part of Councils waste stream, and management of this material represents a significant expense item, as well as being one of the areas which is of concern related to commercial waste.

Any future contractual requirements should be clearly defined, including contractual terms where appropriate. The negotiation process should document any areas of non compliance with the requirements of the contract.

Further comments are made with regard to green waste in later sections.

2.3.3 Future Humpty Doo facility

Council is in the process of constructing a new facility at Humpty Doo the operation of which is outside the scope of this project. The exact timing of the completion and commencement of this facility are not understood, particularly how this will impact upon the current contract.

The key issue with regard to the operation of the future facility relates to whether there is a need to integrate the transport operations between the remaining transfer facilities. Council will need to consider the type of container and vehicle required to transport waste material from the new Humpty Doo and if this operation is integrated with the other facilities.

Finding – Council will need to review the structure of its existing contract well prior to expiry. Transport operations should preferably be integrated between facilities. A review of the required outcomes and risk structure should be included to ensure the contract structure meets Councils objectives.

2.4 Fee structure and cost recovery

History of waste management charges

Within Australian local government there are many avenues in different States and Territories to allow for recovering revenue to cover the provision of waste management services. Within Australia, local government, particularly in more regional and rural areas is seen as being responsible for the management of waste. In reality, the commercial sector has a key role also; however Councils typically have control over domestic waste management through its various legislative abilities to charge a fee for services.

The management of waste by Councils has evolved and originally stems from 'cleansing' of the streets after the discovery of the vector for the 'black plague'. Waste management as a result was a public health initiative which aimed to remove waste from the streets to remove breeding places for the rat. Typically each town had a 'dump' where material was taken and typically burnt or covered from time to time. The focus was on the collection phase, and given the public health nature of the service it was undertaken apparently for free.

Many waste management operations have continued along these lines for decades which has created a culture within many areas that waste management is free and is a right of ratepayers. Over the last two decades in particular the pendulum has swung and efforts have been made to change this culture, with the focus becoming more upon environmental protection measures, and now a greater focus on resource management.

Trends in waste management charges

Examples of how local government can raise revenue for waste services in Australia include:

- Rates
- Levies raised for specific purposes
- Utility charges at the service level for say garbage collection
- Fees for the use of facilities.

There has been a clear trend to a user pays focus in the provision of many government services in recent decades and waste management is no exception. The balance between public health and service is delicate in waste management; however there are many arguments for the introduction of user pays systems for waste management.

In order to achieve environmental objectives, various policies have been released at the Federal level which aim to promote the full costing of waste management, and the introduction of charges to send a signal to people and industry of the cost of their resource and waste management decisions. The introductions of these measures of course, must be supported with legislative and minimum public health services; otherwise some people will revert to poor practices and create public health risks.

National Competition Policy

In the 1990's National Competition Policy (NCP) was introduced which created obligations for the States and Territories to operate many government businesses in accordance with competitive neutrality principles. At the same time, existing legislation and policies were reviewed in order to ensure they did not include anti competitive provisions. The issue here was that many government services competed with the private sector, and the government sector either had legislative or other advantages due to its government ownership.

One key factor of NCP was the removal of all doubt that the Trade Practices Act (TPA) applied to local government, particularly the provisions related to anti competitive behaviour. Litchfield Council is unlikely to currently trigger the requirements for a public benefits assessment of its waste management operations; however over time as the Council grows its expenditure on waste management is likely to trigger this requirement. In any case, waste management is clearly a business and Council needs to ensure that it operates this business in accordance with the competitive neutrality principles and in consideration of its requirements under the TPA¹.

Increasing costs, a focus to resource management and environmental protection, and NCP are all issues which have created a trend toward the introduction of user pays fees and charges for the management of waste in the vast majority of Councils in Australia.

Waste levies and the CPRS

In the future there are a range of issues which are likely to result in more Councils charging user pays fees and charges which include the introduction of levies and the cost of carbon. Many States have waste levies in place which attract a levy for each tonne of waste disposed, which is paid to the respective State Government. If this cost is not obtained from the user, then it has to be passed on to the ratepayer generally, a circumstance which not many ratepayers find palatable.

¹ This is a general review of the TPA and NCP only, Litchfield Councils and the Northern Territories specific circumstances have not been reviewed.

Commercial waste management charges

Many Councils are focused toward the provision of services to the community. Rating systems derive the majority of their income from domestic ratepayers. Whilst commercial properties are levied rates in most circumstances, many commercial properties have multiple commercial operations on site, and they generate far more waste than domestic premises. In the past this has resulted in domestic ratepayers subsidising the operations of commercial operations making a profit. Many Councils have grappled with this cross subsidisation and have put in place commercial charges to ensure the issue is addressed.

The public health focus and unsupervised waste management facilities have allowed businesses to dispose of waste for free at the cost of the ratepayer for many years. As the management of facilities is tightened up, many Councils are then faced with how to manage commercial operators, particularly within three key areas:

- How to deal with commercial operators who collect waste from residential premises
- How to deal with the larger volume and vehicles from commercial operations
- How to ensure that Council does not provide an unfair advantage to one commercial operator over others or to ensure Council does not stifle competition all together.

In order to consider some of the issues related to charging for waste management generally, and the management of commercial operators, the following sections discuss Litchfield Councils current fee structure, options for cost recovery as well as some specific related to commercial operators.

2.4.1 Current rating and fee structure

Litchfield Council charges a flat rate for every property which is not related to the use, size, operations or value of the property. A general rate of \$750 is charged per annum, and now a \$50 levy is included to fund the construction of the new Humpty Doo waste transfer facility.

There are no fees charged for any service by Council, including for the use of its transfer stations.

The rating structure used in Litchfield is not common in Australia as there are a number of downsides of this system, particular with respect to services such as waste management, where it does not take much effort for one to find significant examples of cross subsidisation between ratepayers, and subsidisation of commercial operations.

Litchfield Council prides itself on being a low cost, low regulation community. It must be made clear that the comments in this summary are not aimed at being critical in any way to this aim, however a number of general comments are made related to the management of waste.

Standards for the management of waste are increasing. Litchfield Council has experienced this through the closure of the Humpty Doo landfill by the Territory Government. These standards can only be expected to get higher, and over time more emphasis will be placed on the reduction and diversion of waste using higher level technology. This will result in higher cost. Council may find its simple model of operation may well be placed under significant pressure in the future simply through its waste management operations alone.

There are many advantages in the flat rate system, however it is not considered to have a long shelf life with respect to waste management moving forward. A range of pros and cons for the flat rating structure as it relates to waste management are summarised in Table 2.7.

Table 2.7 Pros and Cons of Flat rate structure for waste management

Pros	Cons
<ul style="list-style-type: none"> • Simple and easy to administer • Every one pays the same amount • No requirement for charging at the gate • No requirement for accounting and money management at gate • Ensures a certain level of public health – promotes disposal at the correct location 	<ul style="list-style-type: none"> • Significant cross subsidisation between ratepayers • Cross subsidisation of commercial operations • No signal of cost of waste management, resulting in increased disposal • Increase waste management costs place pressure on other areas of Council operations as the entire flat rate increases • Potential competition issues • Federal and potential Territory levies are not shown and result in cross subsidisation • Maintains the 'free' culture and results in poor attitudes toward facility use • Does not allow signals to promote waste diversion and recycling • Potentially results in a large number of vehicle movements requiring over sized facilities

It would be recommended that Council introduce user charges for all facility users over time, however one of the difficulties Council faces is the fact it does not provide a kerbside collection service. This is very uncommon in Australia for a Council not to provide this service. It is accepted in the current setting that this is likely to be unacceptable to Council in the short term to introduce user pays to all users, so the focus from here is upon commercial operators.

2.4.2 Cost recovery options

There are a range of cost recovery options for Councils depending on the service they provide. As raised above, the main options include:

- Rates
- Levies raised for specific purposes
- Utility charges at the service level for say garbage collection
- Fees for the use of facilities.

Within each of these options, there can be various waste, customer and transaction types which may warrant varying responses. Given the comments above, the focus here is upon fees or charges for the use of facilities generally for commercial operators.

There are a vast range of options available to Council, and many examples exist in other Councils and private facilities.

Firstly Council would need to ask a number of questions with regard to the acceptance, restriction and charging of commercial waste.

Acceptance of commercial waste

Does Council wish to accept or reject commercial waste at its waste management facilities?

Currently some commercial operators have indicated a preference to use Council facilities. This is clearly a commercial benefit to them, or they would otherwise not wish to use Council facilities. The benefits to commercial operators are likely to accrue from one or both of either:

- The beneficial location of Council facilities (otherwise they need to travel to Shoal Bay from say Berry Springs)
- The fact that Council does not charge commercial operators (where other facilities might) resulting in a financial benefit

Councils waste transfer contract currently requires the operator to reject commercial loads however Council has given approval for some operators to use the facility. This creates an anti-competitive situation for other commercial operators and must be removed as it could be considered anti competitive under the Trade Practices Act.

Restriction of commercial waste

Should Council consider that it wishes to accept commercial waste, there are then considerations with regard to whether it wishes to restrict commercial waste based upon the:

- Source of the waste, for example it may only receive waste delivered by commercial operators but generated at residential premises
- Size of the vehicle or load
- Type of waste delivered

Each of these is considered briefly here.

Source of waste

Many Councils find themselves in a conundrum when it comes to introducing charges for commercial customers for the first time. The main issue which often arises, particularly when residents can deliver waste to the facility free of charge, is the service sector which provides the service of waste removal to the household sector.

The argument is that this type of waste and its source is free to domestic residents and is simply domestic waste. It is very difficult to argue against this logic. Often additional arguments are then raised that the services are often provided to people who might not be able to deliver their own waste to the facility, such as those without adequate transport, or the elderly. In Litchfield this argument gains weight as there is no alternative kerbside service.

Councils often grapple with this issue and introduce a combination of measures such as vouchers etc, or allowing waste from domestic sources in free. This ultimately breaks down as it is almost impossible to administer and enforce from an operational, proper financial and user pays perspective.

Size of the vehicle or load

Often the result of the combination measures in the above is that commercial waste (or waste delivered by commercial operators) is charged in all cases, or a volume threshold might be put in place due to the difficulty in managing the scheme.

The first option is then to put a limit on the size of the load (say up to one cubic metre) and any larger load is charged. This is a common compromise but in reality results in promoting smaller loads and therefore greater traffic movements on the road and at the facility (which results in higher design requirements to cater for traffic). It does however cater for the residential service component and suits the smaller operators. It is not suitable for larger players in the market or for larger vehicles.

The next approach is to limit the size of the vehicle to all vehicles smaller than say an RGVM of 4.5 tonne. This is more related to the actual design and capability of the transfer facility to receive larger vehicles. It is often more effective for heavy vehicles to simply travel to the disposal point once they are loaded.

For example, a front lift collection vehicle (industrial) often has a capacity of more than 12 tonne. The current transfer truck has a capacity less than this, so there is no benefit in the use of a transfer station in this case (unless the commercial operator benefits from cheaper transport or lower disposal costs). In this case Council is simply subsidising a commercial operation with ratepayer funds.

Councils current transfer stations are not realistically designed to cater for heavy vehicles, whilst they could it is not ideal.

Limits on load size whilst it creates increased traffic movements, promotes more frequent transport of waste to the facility which is beneficial from a health and safety perspective.

Type of waste

This restriction is simply related to rejecting certain types of waste such as:

- Liquid waste
- Hazardous waste
- Tyres

It is considered normal practice to put in place restrictions to waste types, and acceptance criteria should reflect the legislative requirements in place, the physical and safe ability of the facility and be balanced against community needs.

Charging of commercial waste

After Council has considered if it will accept commercial waste, and what restrictions it might put in place as to load size, vehicle size and waste type, it needs to consider if it will charge and its charging structure.

It is outside the scope of this exercise to develop a charging structure for Council, however it is recommended that charging be introduced in some form for all wastes and customers in the future. In the short term user pays charges for commercial operators could be introduced.

A range of charging mechanisms exist, including:

- Pay by weight
- Pay by transaction
- Pay by vehicle type
- Pay by waste type
- Pay by volume

It is likely a combination of the above might be employed. Pay by weight is the most comprehensive and provides Council with many additional records, however it also requires the introduction of a weighbridge.

Council has indicated that commercial users have indicated they are prepared to pay for the use of the Council facilities which is generally considered fair (without an intricate knowledge of Councils current rating structure). With regard to cost recovery, commercial users represent a source of income to Council which can assist in reducing the cost of operations to other ratepayers. The key is to be fair to all parties as far as practicable, whilst sending the correct waste management signals.

A suitable charging structure for commercial operators might include:

- All commercial operators are charged (even for residential waste)
- Charges are applied by weight
- A restriction is placed on the type of waste received
- A restriction is placed on the vehicle size (dependant on the facility – the new humpty doo may be designed to cater for larger vehicles)
- Differential charges are placed on different types of waste
- Fees are structured to promote separation of waste
- Fees are set to consider the cost of providing the service, as well the benefit to the commercial operator (should Council simply wish to put in place an artificially high fee, it may as well simply reject commercial waste. Should Council make the fee too low it will result in additional costs to Council and further cross subsidisation).

This fee structure would require additional supervision and weighbridges which are discussed further below.

Examples of how a range of other Councils charge for various components of the waste stream and customers is summarised in Appendix B.

A word of warning

Many Councils consider the introduction of vouchers or similar free tipping days etc. These ultimately result in major issues in managing the schemes and in many Councils have resulted in the need to upgrade facilities at a cost of many millions of dollars. Vouchers:

- Do not send appropriate signals to the community
- Result in a black market in vouchers
- Result in additional transactions and require additional design requirements for facilities
- Create additional administration
- Still result in cross subsidisation
- Do not ultimately deal with the underlying issues Council is wishing to deal with, such as the concept of waste being 'free'

Vouchers are popular with the public, however they are not recommended from a waste management perspective in any form. A trivial fee is considered far more appropriate and over time, just as people have accepted user pays in almost all other facets of life, they will accept this over time also.

Finding – Council should consider moving over time to a user pays charging structure incorporating a mix of rates and gate charges.

Council should decide if it will introduce gate charges and then review its options for the introduction of user charges.

2.4.3 Facility supervision

Both the Humpty Doo and Howard Springs facilities are supervised approximately 8 hours per day and each facility has a full time caretaker to ensure that facilities are secure outside of hours. These facilities operate from 6.00 am to 7.00 pm so approximately five hours per day each facility is unsupervised.

Should Council wish to introduce charges, then one would expect the facility to be supervised at all times. There are a range of options Council has with regard to supervision in this respect:

- Leave supervision and hours unchanged
- Increase the hours of supervision to the hours of operation
- Decrease the hours of operation to the hours of supervision

Pros and cons of each of these options is summarised in Table 2.8.

Table 2.8 Pros and cons for supervision options

Pros	Cons
Leave supervision unchanged and hours of operation unchanged	
<ul style="list-style-type: none"> • limited additional supervision costs • limited impact upon residential users 	<ul style="list-style-type: none"> • Loss of revenue outside supervision hours • Commercial users will learn hours of supervision and use facilities outside hours as far as possible increasing loss of revenue • Safety and environmental liability when facility is not supervised • Limited ability to divert material for recovery
Increase hours of supervision to hours of operation	
<ul style="list-style-type: none"> • Ability to recover maximum revenue • Ability to control Palmerston residents • Ability to focus on resource recovery • Reduction in safety and environmental liability 	<ul style="list-style-type: none"> • Additional cost
Decrease hours of operation to hours of supervision	
<ul style="list-style-type: none"> • No additional cost • Ability to recover maximum revenue • Ability to control Palmerston residents • Ability to focus on resource recovery • Reduction in safety and environmental liability 	<ul style="list-style-type: none"> • Reduction in access for all users • Potential for illegal disposal

There is an argument to reduce the hours of operation at facilities in any case, except for the fact that residents do not have a kerbside service. Granted this fact, there are many Councils in rural areas who operate rural transfer stations on a limited hours basis. Many of which have limited operation to a few hours per week in which they fully supervise the facility.

In any case unsupervised facilities are considered a major environmental and safety liability, not to mention they create operational issues for the incorrect use of facilities. Illegal disposal of waste is typically a fear of Councils when limiting the operation of waste facilities, however in reality only a small percentage of the community engage in this behaviour. An appropriate enforcement response will assist to demonstrate the fact that this anti-social behaviour (illegal disposal) is not acceptable.

When supervision is considered generally there are number of consistent pros and cons which are summarised in Table 2.9.

Table 2.9 Pros and cons of supervision

Pros	Cons
<ul style="list-style-type: none"> • Reduced safety and environmental liability • Greater control of operations • Greater focus on resource recovery • Ability to charge fees • Ability to control outside users • Better general management and reduced clean up costs on site • Security and asset protection 	<ul style="list-style-type: none"> • Additional cost • Culture change • Potential for aggression from some users • Potential illegal disposal • Perceived reduction in service by some users

It is noted that Councils facilities appeared to be quite well presented, even Berry Springs which has minimal supervision. Ultimately, Litchfield Council is a provincial Council to a capital city which is experiencing significant growth. Unsupervised facilities represent a significant risk to Council. In addition, Councils facilities are open longer than many other waste management facilities. Over time it should reduce the hours of operation.

Finding – Council should ensure that its facilities are supervised at all times they are open to the public in order to manage environmental and safety risks from unsupervised facilities. This may involve reducing the hours of operation at some sites.

2.4.4 Weighbridge installation

Council has advised that a number of commercial operators have indicated they would be prepared to pay a per tonne rate for disposal at Councils facilities. This represents a potential source of revenue to Council, although in order to charge a per tonne rate, Council will need to install weighbridges at one or all sites.

Pros and cons of using a weighbridge are summarised in Table 2.10.

Table 2.10 Pros and cons of weighbridge operation

Pros	Cons
<ul style="list-style-type: none"> • Ability to charge by legal weight • Greater accuracy • Transaction reporting and management • Ability to classify waste types, transaction types, customer types and facility use characteristics for planning and management • Should levies and CPRS be introduced, weighbridge will likely be required • Federal involvement is heavily involved in considering data management in waste • Ability to set up automatic and transponders if required • Provides much greater control over the facility 	<ul style="list-style-type: none"> • Requires careful consideration of data management and set up • Cost of weighbridge and set up • May require gate house • Software requirements • May slow traffic if not well set up • Other alternatives may meet Councils needs • Inconsistency between customer types and facilities if all are not consistent • Potentially additional supervision requirements • Data management and back up if system is down • Requirement to be calibrated periodically

The main issue with regard to the installation of a weighbridge is considered to be the cost of supply and set up, and the potential requirement for supervision. It is understood that Council intends to put in place a weighbridge at its new Humpty Doo waste transfer facility and have it supervised. Ultimately a weighbridge represents a far more appropriate approach to charging and data management over other measures. Any cons other than cost are minor in nature and can be managed.

With respect to commercial operators, Council may wish to install a weighbridge at its Humpty Doo facility only. In addition, commercial customers might only be received at the Humpty Doo facility. This would provide a compromise to commercial operators and reduce capital and other costs with regard to weighbridges in other sites. Should Council not wish to install a weighbridge, then charging by volume, vehicle type or transaction represent potential alternatives.

Council has a number of options in moving forward if it decided to introduce greater supervision and a weighbridge. Given Council may be averse to the expense of introducing these additional measures, the cost should be measured against the potential savings related to tonnes of waste transported which is currently not charged. Further, Council might wish to install a weighbridge only at the new Humpty Doo facility, and only receive commercial waste at this facility.

Findings – Council should consider the need for a weighbridge upon consideration of whether it decides to implement gate charges, and subsequently the nature of its charging structure.

3. Viability of kerbside collection

3.1 General viability of providing service

There are two key factors in considering viability of a kerbside service:

- Physical viability
- Economic viability

A kerbside service is typically physically viable in most residential locations. Areas which might not be viable would be due to road construction or some other physical factor such as high rise residential development where another service form is better utilised. A review of all Council roads was not undertaken as part of this review.

Key factors determining the cost of a service relate to the:

- Density of the area serviced
- Number and frequency of services to be provided – leading to vehicle utilisation
- Proximity of the disposal location to the collection area

Whilst there are many other factors which would be considered in costing and designing a service, other things being equal these are the key items which will drive vehicle productivity and subsequently cost.

Upon inspection of the general area, there is no physical reason why a service could not be afforded to residents in most areas within Litchfield. We are not aware of flooding or other road constraints given the brief nature of this investigation and Council would be best placed to consider road suitability of individual roads prior to introducing any service.

The Berry Springs area could be serviced, however it was not realistically considered dense enough to provide for an efficient service.

There is no reason why the less dense rural residential areas could not be serviced, following inspection of individual roads by Council. Areas considered suitable include:

- Howard Springs
- Coolalinga
- Virginia
- Humpty Doo

Howard Springs and Knuckey Lagoon were the key areas in which Council was interested. More localised areas could be serviced; however costs may increase where fewer services are provided. No physical inspection was undertaken of Knuckey Lagoons; however inspection of satellite imagery via Google maps does not identify any limiting factor.

The greater the number of services Council included the better from a cost perspective. The aim would be to ensure that a vehicle is fully utilised in small areas such as Litchfield.

Modelling has been completed of a discrete area which is discussed further below.

Figure 3.1 shows a physical area which would seem suitable for the introduction of a collection service extends from the south around Goode Road to the west to Powell road, north to Howard Springs and to the east including Virginia. Due to lack of data with regard to actual service numbers this area was not modelled, however this represents a general comment about a particularly area which could be packaged together for servicing.

Council has indicated a smaller area for actual potential servicing which is also suitable but might represent a less efficient use of a vehicle.

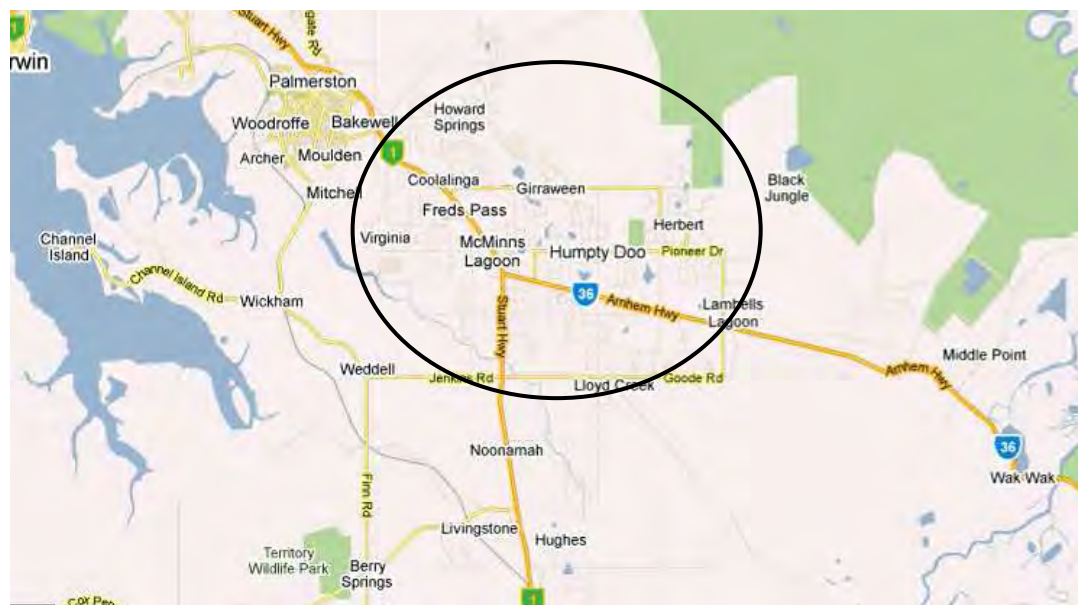


Figure 3.1 Potential service area

As time passes it could be anticipated that more rate payers will request a collection service in the area. This call will likely encounter small pockets of resistance from ratepayers who might argue they do not want a service. However as the area becomes more populated, it is unlikely it would remain unserved as residents move from areas where there is a service and will bring an expectation.

Many very affluent areas appear to be being developed within the area, these people will demand some form of service over time. This comment is perhaps supported by the results of recent surveys in Litchfield² which showed:

- When asked the level of importance of services, responses in the quite to very important category for waste questions were amongst the highest
 - 81% of people thought recycling was quite to very important
 - 74% of people thought garbage was quite to very important
 - 85% of people thought litter and street cleaning was quite to very important.
- When asked whether they were satisfied with current services
 - 68% of people were either not satisfied or not at all satisfied with recycling services (highest level of dissatisfaction)
 - 48% of people were either not satisfied or not at all satisfied with garbage services
 - 36% of people were either not satisfied or not at all satisfied with litter and street cleaning
- When asked what the future priorities should be
 - 61% of people ranked recycling as high or very high
 - 56% of people ranked garbage as high or very high
 - 48% of people ranked litter as high or very high
 - 74% of people ranked keeping rates low as high or very high.

Waste services ranked amongst the highest in most categories in the survey. It is not surprising to see keeping rates low also ranking as a high priority.

Finding - There are very strong public health and environmental reasons for the introduction of a weekly collection service, particularly in a hot, humid environment.

² Sourced from the Litchfield Council website

It is considered that there is a strong public expectation that a service of some form be introduced, which is expected to grow over time.

It is generally considered physically viable to introduce a kerbside collection service, however Council will need to carefully consider the actual area.

3.2 Extension of Darwin City Council contract

Council has asked if it is possible to provide kerbside waste services to some areas by extending the existing Darwin contract. This particularly related to the Knuckey Lagoon area. Part of the motivation to Councils question as to whether a kerbside service could be introduced relates to the potential closure of the Howard Springs transfer station.

Discussions were held with representatives of the Darwin City Council in which this issue was discussed. Darwin City Council contracts the provision of waste management services to Cleanaway. Discussions were also held with Cleanaway with regard to its fleet capacity.

Darwin City Council representatives clearly indicated that Litchfield should negotiate its own service provision with a contractor for waste collection services.

There could be a range of reasons for this response relating to contractual and other obligations and it is not an uncommon response.

Discussions with Cleanaway have indicated that depending on the number of services, sufficient fleet may not be available to provide services on an ad hoc basis to Litchfield at this point. In any case, both the Palmerston and Darwin contracts with Cleanaway include clauses which do not allow them to use vehicles outside of the individual contracts. This is a common contractual clause.

Council could negotiate directly with Cleanaway for this service, however fleet from other Council contracts should be required, and then permission would need to be granted from the respective Council.

If only Knuckeys' Lagoon is serviced there may well be capacity within the existing fleet, subject to Darwin or Palmerston Council approval. Should a larger area be serviced, Litchfield may well be able to justify a vehicle dedicated to servicing its area.

The other key factor for Council to consider relates to Northern Territory purchasing requirements for Local Government. The Northern Territory Local Government Association was contacted to discuss this issue; however no response has been received.

Typically once expenditure reaches a certain level, Councils are obliged to procure through a formal and public tender process. Waste service almost always trigger these requirements to tender publicly which will, if triggered preclude the ability to negotiate directly with a service provider.

Finding – It is not considered viable to extend the existing Darwin City Council collection contract. Council will need to procure its own services.

3.3 Cost estimate for garbage service

In order to understand the likely cost of a waste collection service a number of models have been prepared to provide a quantum of cost.

Models for garbage include:

- Weekly garbage service alone
- Weekly garbage service combined with fortnightly recycling service
- Recycling service

Within each service a range of sensitivity factors have been prepared to provide an understanding of various cost factors and scenarios. Table 3.1 shows the model scenarios prepared.

Table 3.1 Collection models

Service	Disposal	Vehicle age	Productivity
Garbage alone	Humpty Doo	New	100
	Shoal Bay	Old	150
Garbage with recycling	Humpty Doo	New	100
	Shoal Bay	Old	150
Recycling	Winnellie/Berrimah	New	100
		Old	150

Key assumptions in the models are summarised in Table 3.2.

Table 3.2 Key modelling assumptions

Assumption	Garbage	Garbage with recycling	Recycling
Depot	Winnellie/Berrimah	Winnellie/Berrimah	Winnellie/Berrimah
Presentation rate	94%	94%	75%
Labour cost*	\$22/hr	\$22/hr	\$22/hr
Operating cost**	\$35/hr	\$35/hr	\$35/hr
Vehicle configuration	6 x 4	6 x 4	6 x 4
Body Capacity	23 m ³	23 m ³	23 m ³
Assumed maximum payload	9 tonnes	9 tonnes	4.6 tonnes***
Bin weight	20kg	16kg	12kg
Service frequency	Weekly	Weekly	Fortnightly

Table notes:

- * hourly labour rate excluding on costs
- ** operating cost excluding labour and finance
- *** based upon maximum compaction of 200kg/m³

A number of these assumptions have been discussed generally with contractors operating in the area who considered them reasonable.

Table 3.3 shows the approximate number of services by locality available at the time of modelling. These localities do not represent the total area considered to be suitable for service in Figure 3.1 as data related to the actual number of properties in each locality is not available.

The Knuckey Lagoon area was modelled prior to Council providing an estimate of service numbers. A lower amount is likely. Re-modelling has not been completed in total, although a sensitivity test has been conducted to provide an understanding of the quantum of the effect of reducing the number of services.

Detailed modelling has not been conducted for Knuckey Lagoon alone due to the low number of services. A 'back of envelope' cost estimate is provided to provide a guide to cost.

Table 3.3 Number of services by locality

Service locality	Number of services
Howard Springs	996*
Knuckey Lagoon	500**
Coolalinga	114*
Virginia	306*
Total	1,916

Table notes:

* Sourced from ABS data

** Estimate only

Based on the number of services and assumptions modelled, there are approximately two to four days work required dependant upon the configuration and productivity.

Table 3.4 summarises the raw output from each model. All cost estimates do not include Council charges or overheads, disposal or GST and are relative estimates of quantum only.

Table 3.4 Summary of cost estimates

Scenario	Cost estimate	
	New Vehicle	Old Vehicle
Humpty Doo, Garbage – 100*	\$2.50	\$2.12
Humpty Doo, Garbage – 150*	\$2.15	\$1.78
Humpty Doo, Garbage/Recycle – 100*	\$1.92	\$1.68
Humpty Doo, Garbage/Recycle – 150*	\$1.68	\$1.44
Shoal Bay, Garbage – 100*	\$2.40	\$2.04
Shoal Bay, Garbage – 150*	\$2.10	\$1.74
Shoal Bay, Garbage/Recycle – 100*	\$1.90	\$1.66
Shoal Bay, Garbage/Recycle – 150*	\$1.65	\$1.40
Recycling – 100**	\$1.63	\$1.43
Recycling – 150**	\$1.54	\$1.33

Table notes:

* Cost per service per week

** Cost per service per fortnight

When the annual cost of each scenario is considered, along with the configuration of services, the range of potential costs as summarised in the tables below.

Table 3.5 Annual cost estimate of garbage only scenario configurations

Scenario	Cost estimate	
	New Vehicle	Old Vehicle
Humpty Doo, Garbage – 100	\$130	\$110
Humpty Doo, Garbage – 150	\$112	\$93
Shoal Bay, Garbage – 100	\$125	\$106
Shoal Bay, Garbage – 150	\$110	\$90

Garbage services are therefore likely to range in cost from \$110 per service per annum to \$130 per service per annum for a new vehicle, and \$90 per service per annum to \$110 per service per annum.

Garbage only service range - \$90 to \$130 per service per annum.

Table 3.6 Annual cost of garbage and recycling service for new vehicles

Scenario	Annual cost estimate		
	Garbage	Recycling*	Total
Humpty Doo, Garbage/Recycle – 100*	\$100	\$42	\$142
Humpty Doo, Garbage/Recycle – 150*	\$87	\$40	\$127
Shoal Bay, Garbage/Recycle – 100*	\$99	\$42	\$141
Shoal Bay, Garbage/Recycle – 150*	\$86	\$40	\$126

Table note:

* All disposal to Winnellie/Berrimah

Garbage and recycling service combined with NEW vehicles ranges from \$126 to \$142 per service per annum.

Table 3.7 Annual cost of garbage and recycling service for old vehicles

Scenario	Annual cost estimate		
	Garbage	Recycling*	Total
Humpty Doo, Garbage/Recycle – 100*	\$87	\$37	\$124
Humpty Doo, Garbage/Recycle – 150*	\$75	\$35	\$110
Shoal Bay, Garbage/Recycle – 100*	\$86	\$37	\$123
Shoal Bay, Garbage/Recycle – 150*	\$73	\$35	\$108

Garbage and recycling service combined with OLD vehicles ranges from \$108 to \$124 per service per annum.

A key factor to consider in the use of older vehicles is higher operating expenses which have not been considered in detail here. Further, reliability of waste collection vehicles is paramount, particular in a one truck fleet. Should Council elect to allow second hand vehicles, it will be very important to place some age restriction on the age of the vehicles, say no greater than 5 years old at commencement. This would result in 12 year old vehicles at expiration of a 7 year contract, which is very old for a domestic waste collection vehicle. So savings in cost will result potentially in a less reliable service.

Reducing the number of services in the Knuckey Lagoon area to around 174, increases the cost due to fixed costs being spread across fewer services. Sensitivity on the most expensive scenarios increased the most expensive garbage service from \$2.50 to around \$2.90 per service (per week), and the most expensive recycling service from \$1.63 to around \$1.84 per service (per fortnight).

Should Council wish to introduce a kerbside recycling service it will clearly need to define at least (amongst other things):

- The type of services required
- The actual number of services
- The location of the services

Should the Knuckey Lagoon are be serviced only, it is anticipated for garbage only there is between 2.5 to 3 hours of work required. At \$125 per hour Council could expect to pay \$92 to \$113 per service per annum, and at \$160 per hour, \$118 to \$144 per service per annum. In this scenario Council a contractor would have to ensure they have permission to use the vehicles for Litchfield Council.³

3.4 Impact upon other waste system components

Should Council decide to introduce a kerbside collection service it will need to consider if this introduction will have any impact on the levels materials delivered to its transfer stations and the potential impacts upon its breakeven assessment of the transfer stations.

Without a clear understanding of the exact number of services to be provided and the overall system scenarios, the total costs can not be further analysed.

Findings – A kerbside service is generally considered to be physically viable, particularly in the more urbanised areas. Council would need to identify the actual locations to be serviced. Council may need to consider if services are suitable along unsealed roads (10 tonne load limit).

Extension of the Darwin City Council contract is not considered an option, so Council would need to procure its own service.

The introduction of a kerbside collection service will impact upon the breakeven analysis for compaction at the transfer stations.

Council should anticipate growing calls for the introduction of a kerbside collection service, particularly in the more urban areas.

The financial cost of the service needs to be considered in light of other parts of the waste system (Council currently pays no collection cost), and the fact this service would represent a higher level of service than is currently afforded.

³ Council needs to consider contract law and whether it is inducing a breach of contract if it does not obtain permission for the Contractor to use the vehicles in its Council area.

4. Impact of future legislation

4.1 CPRS

The CPRS political landscape is changing daily. Below is a summary of some of the key points related to the CPRS as it stands currently. This summary was prepared for another project, however the key issues remain. Further comment related to Litchfield specific risks are discussed at the completion of the section.

4.1.1 Current status

The Federal Government was elected on a mandate which included the introduction of an emissions trading scheme, aimed at reducing the amount of Carbon dioxide equivalent released to the environment, to reduce the potential impacts of global warming. The structure of scheme and how it impacts upon the waste sector is in a constant state of flux, as the system is debated.

The CPRS legislation has been introduced into the Parliament and the Government is committed to pass the legislation in 2009. The Federal Government has released draft regulations for the Carbon Pollution Reduction Scheme, including the first tranche of activities that will be eligible for assistance under the emissions intensive, trade exposed (EITE) assistance program. Public submissions on the draft regulations are invited before 14 August 2009.

Recently new measures have been announced by the Government:

- A delay in the start date of the CPRS of one year to 1 July 2011, to manage the impacts of the global recession.
- A commitment to reduce carbon pollution by 25 per cent of 2000 levels by 2020 if the world agrees to an ambitious global deal to stabilise levels of CO₂ equivalent in the atmosphere at 450 parts per million. A 5% reduction target of 2000 levels by 2020 remains the same if no international agreement is reached in Copenhagen.
- The establishment of Australian Carbon Trust to encourage households to do their bit by investing directly in reducing Australia's emissions and to drive energy efficiency in buildings.

Emissions from the waste sector have been included within the scheme. Australia has been the first country to take such an approach, due partly to the peculiar difficulties within the waste sector related to measurement of greenhouse gas (GHG) emissions, how to deal with legacy waste, and the gradual release of landfill gas over many years. Responsibility for emissions from a landfill facility will be determined by whether that facility is owned or operated by the Council.

The CPRS will apply to constitutional corporations. Many local governments have argued they do not fall under this umbrella where previous federal legislation has changed, such as the National Competition Policy. During the implementation of NCP, the Federal Government took steps to remove any doubt that NCP did apply to local government. The Federal Government has indicated it will take similar steps to ensure that local government is in fact covered under CPRS.

If a council either owns or operates a landfill facility that has direct emissions exceeding 25,000 tonnes of CO_{2-e} per financial year it will be a liable entity under the CPRS and required to report under the National Greenhouse and Energy Reporting Act (NGERA) 2007. However if a landfill facility is within a prescribed distance of another landfill that accepts the 'same classification of waste', the applicable threshold is 10,000 tonnes of CO_{2-e}. This prescribed distance is yet to be defined.

In researching this issue a figure generally around an 80km radius has been suggested as the prescribed distance. Therefore:

- Most urban and metropolitan landfill facilities will attract a threshold of 10,000 tonnes of CO_{2-e}
- Most rural and non-urban landfill facilities will attract a threshold of 25,000 tonnes of CO_{2-e}

Legacy emissions from waste will now be excluded from the CPRS. Liability for landfill emissions under the Scheme will now only apply to emissions that come from waste that is deposited after the commencement of the Scheme on 1 July 2011.

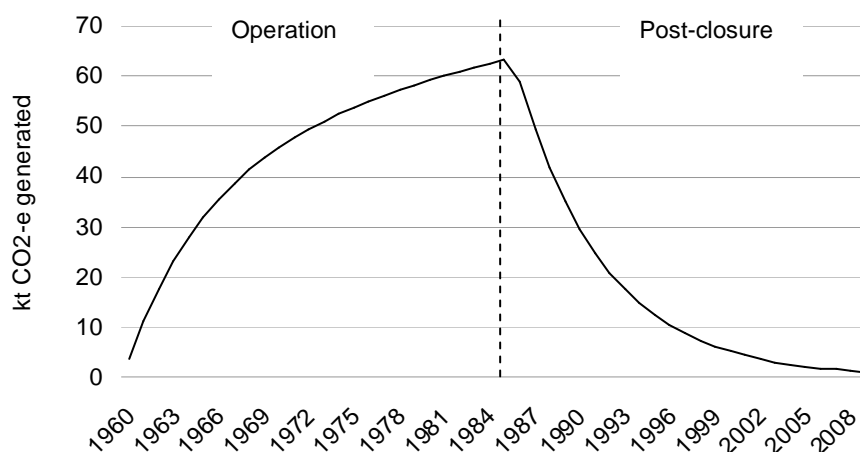


Figure 4.1 Typical greenhouse gas emission profile for a landfill

Source: From DECC web site. Details of the model run (hypothetical site): opened 1st January 1959; closed 1st January 1985; located in Queensland or the Northern Territory; accepts MSW and C&I waste; accepted 50kt in its final year of operation; waste to landfill grew at the average rate in the NGGI 1990-2005 time series; all other parameters set to DCC default values.

Closed facilities will have little opportunity to recovery costs – methane capture and conversion may be an option for reducing CPRS costs.

Under the NGERA 2007, there are currently three methods available to Councils to measure and report. Councils will be required to decide which reporting mechanism (1, 2, or 3) will be used. There is extreme debate about the suitability and effectiveness of these measurement methods and it is important to select the appropriate approach initially, as there is a position that in order to maintain consistency, the measurement method would be difficult to change. In any case, the current model is extremely sensitive to certain inputs and recent research is creating serious doubt over the accuracy of the existing assumptions in the Federal Governments' model.

Given the potential liability to councils under the CPRS, there is a serious need to fund proper scientific research into the behaviour of landfills over time.

4.1.2 Likely impact of CPRS

- Requirement to purchase permits to offset emissions from landfill facilities
- There will be an allocation of cost to the release of GHG based on a permit fee, which will be determined by market forces
- Council will need to determine increased costs in operating landfill facilities

One of the key difficulties relate to the fact that one tonne of waste deposited to day, will release landfill gas over a long period of time. During the period in which the Council is required to purchase permits for the release of this gas, there is absolutely no certainty as to the price of permits. So landfill operators are in a situation where they are required to gather revenue for the deposit of waste today, and they have no idea of what their liability might be in the future. This represents a significant financial risk for landfill operators.

4.1.3 The likely emission sources from council waste operations

- Organic waste deposited at the landfill facility (by far the greatest potential source of GHG)
- Electricity utilised as part of the landfill facility operation
- Vehicle emissions resulting in collection and compaction of waste

Only landfill sites that are closed on 1 July 2008 and remain closed from this date will be completely exempt from the CPRS liability.

Council should consider the following issues in relation to the CPRS:

- Determine methodology for emission calculation (1, 2, or 3)
- Measure and record waste entering landfill facilities and assess emission (type of waste is a key factor so details required in measurement are likely to be far more detailed in order to accurately define a Councils liability)
- Measure and record emissions from electricity use and vehicle emissions
- Diversion of organic waste from landfill operations
- Institute a methane capture and conversion process
- Utilise a landfill cap that is designed to oxidise methane
- Review contracts with generators to ensure that costs under the CPRS are shared equally

4.1.4 Key factors

- They are likely to trigger the reporting and trading threshold due to proximity to Darwin and high population growth – regional options will increase the tonnage and so more likely trigger the threshold proper
- There is significant financial risk related to the trading scheme and estimating the cost of carbon in waste management
- Darwin City Council is likely to trigger any threshold so disposal charges will increase in any case

Litchfield is a fast growing Council area provincial to a capital city which has significant land constraints. High growth might therefore be expected to continue in Litchfield for some time. Anecdotal evidence suggests that the Litchfield has been growing in the vicinity of 9% per annum in recent years. This is relevant to CPRS in how the growth in the waste stream is modelled.

A first pass CPRS model was run using the DECC landfill emissions model using default settings for NT. A figure of 6% growth was used on the current tonnage of waste to landfill, and an assumption that a landfill would receive waste for 30 years. The emissions profile as a result of this modelling is shown in Figure 4.2.

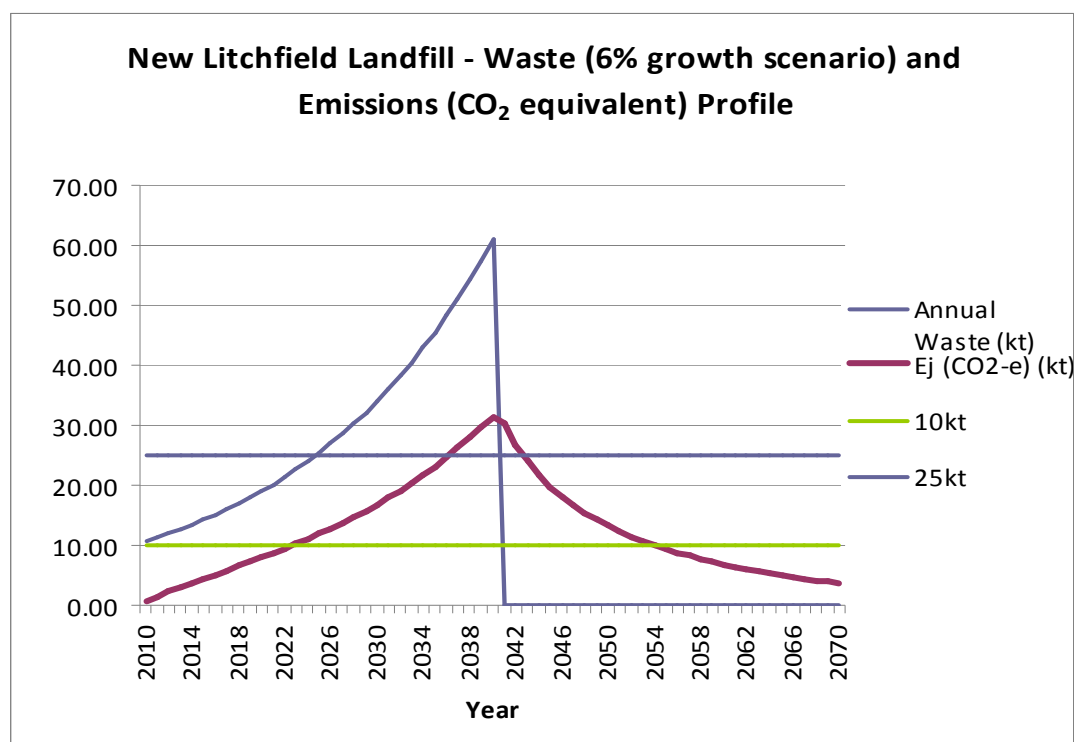


Figure 4.2 CPRS emissions profile

Landfills which have been identified by Litchfield Council as potential landfill sites all appear to be relatively close to the existing Darwin facility. So the proximity rule may be triggered. This would reduce the threshold to 10kt per annum carbon equivalent.

The emissions profile above shows that one tonne of waste received today emits carbon (methane) for many years to come. Even if Council stopped receiving waste around 2040 under the above scenario, it could expect to be over the 10kt threshold until around 2054.

This creates a situation where Council will have liability on the emissions long after it is able to recover revenue for the site. In addition, should the ETS be market driven, Council will have no real way to forecast the likely cost of the ETS permits as they will be driven by market forces. Council will therefore have to estimate what its emissions liability will be far in advance and seek to ensure that its gate charge is sufficient to cover an expense it can not estimate, long after it can recover any revenue.

This creates a significant and potentially debilitating financial risk for Council. A risk which Council should consider very carefully before it makes a decision as to whether to enter the landfill market.

Additional impact of CPRS will relate to secondary and tertiary use of carbon emissions and will result in higher fuel and energy prices. It is not possible at this point to estimate the financial impact upon Council. The landfill emissions are likely to be the only issue creating a reporting and liability requirement for Council in waste management.

Based upon the above assumptions the DECC model estimates carbon equivalent emissions of 272,000 tonnes over the 10 kt threshold, and 21,900 tonnes over the 25 kt threshold.⁴ Assuming a \$20 per tonne ETS cost, with no consideration of growth, reduction in the cap, the effect of the market or CPI, then the cost of the CPRS will be:

- 10 kt threshold - $272,000 \times \$20 = \5.44 million
- 25 kt threshold – $21,900 \times \$20 = \0.44 million

The difference between these two figures alone makes any decision making without further clarity very risky for any landfill project.

Council will need to clearly understand in further detail its potential CPRS liability from a technical and a financial perspective should it wish to proceed further with respect to landfill development.

Findings – The true impact of the CPRS remains largely unknown due to the constantly changing landscape. This creates a significant risk for Council whilst the waste sector is included in the CPRS.

The organic fraction of the waste stream remains the key potential source of carbon equivalent emissions.

Should the CPRS go ahead in its current format, the Shoal Bay landfill will most definitely be above the threshold which may result in higher gate fees in the future.

4.2 Northern Territory administration of waste management

There are two key issues with regard to the management of waste in the NT currently.

Firstly, the NT government has talked of its own form of ETS even where the Federal governments does not proceed. It is far too early to predict the outcome of this.

Secondly, the NRETAS, who is responsible for the policy direction for waste management and the management and licensing of landfills has recently been given increased powers to manage licences. Further, they have plans to overhaul the management of waste management facilities in the NT, in two key areas:

- Landfill guidelines are being reviewed and landfill standards will be in line with other Australian States
- NRETAS intend to audit existing landfills and close poorly located landfills

Current landfill guidelines talk about different classes of landfills. Any landfill which receives more than around 2,500 tonne per annum of waste including putrescibles waste is expected to have a liner and daily cover. Whilst there are many other cost drivers in landfill operation, these are two of the key capital and operational cost drivers. Litchfield is currently sending more than 10,000 tonnes per annum of waste to landfill, and so will easily exceed this level

With respect to auditing, other States have allowed older landfills in some cases to remain. Whilst the relevant authorities have required the closure of many, there did not appear to be a concerted effort to close poorly located facilities. The NT government appears to be taking a different tact, and intends to seek the closure of existing sites which are not well located. Whilst this does not impact Litchfield directly currently, it clearly telegraphs the fact that any landfill developed in the future must operate in accordance with much higher standards than which Litchfield is accustomed.

Litchfield Council has a facility closed previously by NRETAS and so understands that any new facility will need to be located and operate to a far higher standard than the operations in which it had previous experience.

⁴ This is the sum of the amounts over the respective threshold over the entire period in which emissions exceed the threshold.

A summary of the potential requirements for new facilities is likely to include (based upon discussions with NRETAS):

New facilities

- Approval from NT NRETAS prior to construction
- Appropriate siting - needs to be well located – i.e. suitable geology, groundwater, not in conflict with the planning scheme i.e. not adjacent to conflicting land uses
- Fully fenced
- Supervision
- Fire buffer
- Good buffer zones between landfill operation and surrounding land uses
- Weighbridge
- Appropriate landfill liner (note in many places clay is scarce, so geomembrane liner may be required)
- Water management - surface water diversion around the landfill operation – diversion bunds and drains sized appropriately to cope with NT rainfall
- Not located in an area which has shallow aquifers particularly those which are used as a domestic water supply
- Environmental monitoring – groundwater, surface water, dust
- Erosion and sediment control
- Leachate control including collection and treatment
- No landfill fires
- Bird/feral animal control – waste covered regularly
- Daily compaction and cover
- Mosquito (and other biting insects) control
- Segregated areas for listed waste
- Control of fly-tipping (onsite and in areas surrounding the landfill)
- Nuisance management – litter, fire and odour management
- Environmental reporting to NRETAS and environmental compliance audits by NRETAS
- Closure and post closure management including capping, rehabilitation, post closure monitoring and maintenance
- Further scrutiny with regards to landfill gas management particularly under CPRS

There are also many other operational criteria which make a site suitable for landfill such as the suitability and availability of soil, and all weather sealed access roads suitable for heavy vehicles.

Approval processes in the NT will include:

Step 1:

Planning application

An application for the use of a parcel/s of land for a landfill operation would be required under the NT Planning Act. An application to rezone the land may be required as well depending on the zoning of the subject lot/s.

The application will be assessed by Development Assessment Services, Department of Planning and Infrastructure and will be approved by the Development Consent Authority.

Environmental Assessment

A Notice of Intent (NOI) will be required under the NT Environmental Assessment Act. The NOI will detail the potential environmental impacts of the proposed landfill construction and operation and the proposed mitigation measures. The outcome of NOI assessment will determine if a Public Environmental Report (PER) or an Environmental Impact Statement (EIS) is required.

The NOI is assessed by Environment, Heritage and the Arts Division, Department of Natural Resources, Environment, The Arts and Sport.

Step 2:

Pursuant to Section 31(2) of the Waste Management and Pollution Control Act, to develop/construct a landfill, an *Application for an Environment Protection Approval* is required.

The application is assessed by Environment, Heritage and the Arts Division, Department of Natural Resources, Environment, The Arts and Sport.

Step 3:

Pursuant to Section 31(2) of the Waste Management and Pollution Control Act, to operate a landfill, an *Application for a Licence to operate a premises for the disposal of waste by burial (operate a landfill)* will be required.

An Environmental Management Plan is required to be submitted with the application. The application is assessed by Environment, Heritage and the Arts Division, Department of Natural Resources, Environment, The Arts and Sport.

Findings – Northern Territory requirements for the management of waste are being reviewed at present. Relevant codes have not been completed at this point. It can be expected that the standard required for landfills will increase.

5. Opportunity for recycling and methods of collection

5.1 Kerbside collection

5.1.1 General viability of providing service

The recycling service is physically viable in the same manner as discussed above. In addition, Cleanaway have a MRF which operates and receives material from both the Darwin and Palmerston City Councils. Whilst discussions have been held with Cleanaway staff, no cost estimate has been provided, nor an indication of the capacity of the facility.

Given the number of services modelled, and the assumptions used, Litchfield might expect to deliver approximately 450 tonnes per annum (about ten tonnes per week) to a MRF. It is difficult to hypothesize what the processing cost might be at this point, however given the location of Darwin it could be anticipated to be more expensive than the cost to dispose of waste to the Darwin landfill.

5.1.2 Cost estimate for recycling service

Cost estimates for recycling collection have been provided in the sections above.

A range of potential processing costs are provided below to demonstrate the total potential cost of kerbside recycling:

- \$25 per tonne processing x 450 tonne = \$11,250 per annum
- \$50 per tonne processing x 450 tonne = \$22,500 per annum
- \$75 per tonne processing x 450 tonne = \$33,750 per annum
- \$100 per tonne processing x 450 tonne = \$45,000 per annum.

Considered against the number of services in the model assumptions above, this would result in the following additional costs to each scenario:

- \$25 - \$5.80 per annum
- \$50 - \$11.80 per annum
- \$75 - \$17.60 per annum
- \$100 - \$23.50 per annum.

5.2 Existing transfer station contract structure

Within the existing contract structure, the contractor has an obligation to ensure that certain material which can be diverted for recycling is. There are number of key issues with regard to this contract which do not ultimately lead to this behaviour being undertaken⁵, including:

- Whilst the contract requires recycling, it does not require the contractor to supervise the facility full time. The contractor has no control over the actions of the community when the contractor is not physically there (even physical attendance may not result in recycling for mixed loads or abusive customers. The contractor also has other obligations so even full time supervision will not result in total diversion).

⁵ These comments do not indicate this is the actual conduct of the contractor. In fact, given the considerable expense to which the contractor is with regard to for example, green waste, the contractor is seen to be generally complying at great expense.

- The cost structure and tender process results in a focus on cost. For a contractor to win a contract they must provide a competitive rate. This is likely to include diversion of easy or valuable material, however other material will cost the contractor. The flat fee and cost per tonne places the risk and cost of recycling on the contractor.
- There is not financial incentive for the contractor to recycle. Whilst the contractor does receive the funds from the proceeds of recycling, where the cost of diversion is more than the revenue received for the material, then the contractor is losing money. A contractor is in business to make money. Actions which result in a loss will be quickly discarded. Some items are diverted through the sheer volume, such as green waste, or their value such as scrap metal. Many other items will not be actively diverted.
- The existing Council fee structure does not provide any price signal to residents as the behaviour that is expected. This issue has been discussed further in section 2.4.
- The per tonne rate which the contractor is paid means they are paid for every tonne transported. For there to be active recycling, the contractor would need to receive more than this amount in revenue, and cost less to divert.

A change to the contract structure is considered warranted should Council wish to divert more material from landfill. Recycling of many materials rarely results in a significant revenue source, particularly when compared with the cost of disposal, versus the cost to divert. Council will need to clearly consider its objectives in this area, as greater levels of recycling may cost more than Council is currently paying.

Findings – Council will need to review the structure (pricing and responsibilities) of its current contract if it wishes to promote further recycling. Future contracts should be altered to ensure they incentivise the required behaviour.

5.3 Operations of other Councils

Operations at Litchfield Council facilities are not unlike those at many Councils. The key items which can be easily diverted include:

- Garden waste
- Scrap metal
- Oil
- Car batteries

Other items which are often diverted then include:

- Used packaging such as glass, aluminium cans
- Paper and cardboard
- Trash and treasure

5.3.1 Palmerston

Archer facility

Palmerston City Council operates the Archer transfer station. The site was formerly licensed and operated as a landfill; however the council still does dispose of green and dry waste into the landfill.

Diversion of waste material on site is quite similar to Litchfield in many cases.

Palmerston residents only can dump at the station at no cost; no commercial waste allowed.

Kerbside collection

Cleanaway is contracted undertake the kerbside collection services as follows:

Table 5.1 Cleanaway kerbside collection services

	Rubbish	Recycling
Single dwellings	Twice weekly - 120 L bin	Fortnightly – 240 L bin
Unit complexes	Four times a week – 240 L bin	Weekly – 240 L bin

All material is transported directly to Shoal Bay.

5.3.2 Darwin

Shoal Bay facility

The Shoal Bay landfill was commissioned in 1987 as the Regional Waste Disposal Site for the wider Darwin region. The landfill was thought to have a life of 15 years; however the introduction of modern landfill management techniques has prolonged the life of the landfill.

The Shoal Bay facility is owned by Darwin City Council and operated by contractors MacMahons. The facility features a landfill, a 'tip shop', recycling facility and a renewable energy facility.

Whilst Council Officers would not confirm the life of the landfill, other sources report the landfill has an expected life of approximately 15 to 26 years including Litchfield and Palmerston waste depending on the recycling rates. Palmerston's domestic waste has been accepted at Shoal Bay since 2002 and Litchfield from the since early 2006.

Darwin residents only can dump at the facility at no cost; there is a charge for non-Darwin residents and commercial waste. Commercial waste acceptance is not restricted and all commercial operators from the wider Darwin region use Shoal Bay landfill for their waste disposal.

Kerbside collection

Cleanaway is contracted undertake the kerbside collection services as follows:

Table 5.2 Cleanaway kerbside collection services

	Rubbish	Recycling
Single dwellings	Weekly – 240 L bin	Fortnightly – 240 L bin
Unit complexes	Twice weekly – 240 L bin	Weekly – 240 L bin

5.3.3 Common recycling activity by Darwin and Palmerston City Councils

Darwin and Palmerston City Councils offer kerbside collection of garbage and recyclables. Darwin and Palmerston City Councils collect the following material in their kerbside recycling collections:

- Aluminium and steel cans
- Glass
- Plastics (PET and HDPE - 1 or 2)
- Paper and cardboard
- Liquid paperboard (eg milk cartons)
- Steel cans

The recyclable material is collected under contract by Cleanaway and then transported to and processed at Materials Recovery Facility (MRF) in the region. Waste material is transported to the Shoal Bay landfill operated by Darwin City Council.

5.4 Recycling market in Darwin region

The following table is a summary of the recycling providers in the Darwin region:

Table 5.3 Operations of various recyclers in Darwin region

	Building material/ dry waste	Glass	Aluminium cans	Metal	Cardboard	Paper	Plastics
Veolia	✓	✓	✓		✓		✓
CMA Recycling			✓	✓			
Simsmetal				✓			
Transpacific Cleanaway		✓	✓	✓	✓	✓	✓
NT Recycling Solutions			✓		✓	✓	✓

There are two 'tip shops' in the Top End:

- Shoal Bay Salvage Depot shop at Shoal Bay which is operated by Darwin City Council contractors
- Humpty Doo tip shop at Spencely Road, Humpty Doo which is run privately independent to Council

6. Conversion of green waste and reduction in volume

6.1 Current operations

There is significant rainfall in the Darwin region and high growth of plant material during the wet season. Palm trees are also very common which create potential issues for mulching operators due to their stringy nature.

Currently garden waste is diverted at the Howard Springs and Humpty Doo transfer stations. Material is placed at a separate location at Berry Springs transfer station, however a permit to burn this material is obtained and the material is periodically burnt.

During the visit to the Howard Springs facility, mulch was viewed on site and appeared to be quite good quality given the source. CS Services indicate that the material viewed had been double mulched (put through the mulching machine on two separate occasions with a smaller screen on the second occasion). The material is not composted or mulched in accordance with any Australian Standard which may represent a risk to Council and the contractor.

Specific temperatures are required to be reached along with turning material in order to kill off plant pathogens in mulched material. This does not occur and would add cost to the operation.

Material viewed at Humpty Doo had been mulched once and had a larger screen and was of a lesser quality (due mainly to the larger screen size) than the Howard Springs material.

CS Service report that it costs around \$32 per m³ for double mulching material. This material is offered for sale for around \$25 per m³.

Typically, in other regions a rate per cubic metre is paid to a contractor for processing, however it is reported that contractors in Darwin expect a per hour rate. This is of little consequence however it does shift the risk of processing from the processor to the Council/contractor. Council may have limited bargaining power to alter this practice if it is entrenched, unless other Councils take a similar stand – which might be considered anti-competitive and so is not recommended.

A number of parties reported a local landscape yard which offers material similar to Councils mulch from clean sources (forestry or similar) for around \$20 per m³. CS Services report that some material is sold in the dry season, however not a lot. During the wet the material stockpile grows. This could be expected as people do not consider the need for mulch in the wet, particularly if it is used for its moisture holding capacity.

Clearly if a customer was faced with two mulch materials:

- Option one – mulch at \$25 per m³ sourced from a waste facility with the potential for contaminants, versus
- Option two – mulch received for \$20 per m³ from a landscape yard

They will take option two any day of the week given the proximity is appropriate. It is clear that one of the reasons the mulch material does not move, is it is too expensive relative to its competition.

Garden and other organics waste will become more expensive once a CPRS is introduced as they are the key materials which result in the generation of methane in a landfill. Diversion of organics is therefore very important in the future.

6.2 Existing transfer station contract structure

The existing contract structure does little to incentivise the contractor to add value to mulch material. The contractor is paid to transport the material if it ends up in the RORO; however he pays to process the material if it is diverted. The contractor appears to be operating in accordance with the requirements of the contract; however this represents a significant area of risk to any contractor tendering for this service.

Councils position is actually quite protected under the current arrangements, which may well have resulted in the contractor complaining about the cost of garden waste to Council. Future contracts if they remain in the current form are likely to be more expensive (as contractors understand the risk) or otherwise the structure around this requirement should perhaps change. Management options are discussed further below.

6.3 Operations of other Councils

6.3.1 Darwin

Darwin City Council contractors offer various grades of compost, potting mix, soil bends and mulch for sale at Shoal Bay. The mulch is certified weed seed free with a starting price of \$25 per m³. The products are very popular with local residents and businesses, however it is reported that Darwin also has more material than it can sell, particularly in the wet season. Litchfield material will be of a far lesser quality than Darwin's.

6.3.2 Palmerston

Green waste taken to the Archer transfer station is buried in the landfill. Palmerston City Council does not mulch the waste which accounts for approximately 70% of waste taken to the transfer station. Green waste is only accepted from local residents; no commercial operators.

6.3.3 North Queensland

Several council throughout North Queensland were surveyed to gain an understanding of how other council in the tropics deal with green waste, in particular if and how much mulched green waste was sold for and if there is a charge to dump green waste. Table 6.1 provides a summary of the management of garden waste in some other tropical Councils.

Table 6.1 Garden waste management in Northern Queensland Councils

Municipality	Green waste dumping at Council facilities	Mulch costs
Cairns	Free green waste dumping days in the lead up to cyclone season	\$14 per m ³
Tablelands	No charge for domestic green waste dumping	\$13.50 per m ³
Cassowary Coast	No charge for domestic green waste dumping	\$5 per m ³ for domestic customers \$8 per m ³ for commercial
Hinchinbrook	No charge for domestic green waste dumping	\$11 per m ³
Townsville	Reduced charge for domestic green waste dumping if mulchable	Mulch brought back from contractor and used for council purposes
Burdekin	Fortnightly kerbside collection of green waste	Used for council purposes

Costs for mulch above show that Litchfield is charging anywhere from two to five times what many other Councils charge for similar material to their residents.

Burdekin Shire Council is one of only a few local governments in Queensland that provides a regular kerbside collection of green waste. A number of councils have trialled this service but have chosen not to continue due to high costs to council and opposition from local business that provide 'green bag' services. In southern States such as NSW and Victoria, the provision of an organics service is the norm.

The majority of council's provide a bulk kerbside collection of green waste (not in a wheelie bin) and other materials in the lead-up to wet/cyclone season as an incentive for residents to clean up properties. There are significant liabilities with regard to this service, as well as promoting waste, however it is hugely popular due to the fact it is considered free.

6.4 Management options

Council has sought advice with regard to the management of mulch principally due to the cost and volume of material. Council's initial comment relates to whether or not Council could seek residents to manage the material themselves.

Operations which Litchfield Council undertakes are typical of many Councils throughout Australia, that is, garden waste is received at transfer stations (or landfills) and generally separated and treated by mulching. There are generally three main categories of management available to Litchfield Council, including (there are a range of scenarios within each management option):

- Refusing to receive the material, and require residents to manage it on their own properties
- Receiving the material and applying some form of treatment as per the current operation
- Receiving the material and simply allowing it to be disposed of to landfill in the RORO container.

Pros and cons of each option are summarised in Table 6.2 below.

Table 6.2 Summary of pros and cons for garden waste management options

Prose	Cons
Refuse garden waste and require residents to manage it on site	
<ul style="list-style-type: none"> • Removes Councils requirement to manage this waste • Removes cost of managing this waste from Councils budget • Less demand on Councils transfer stations • Less traffic transporting waste material • Residents take responsibility for their own waste may bring greater awareness of waste issues • Less contamination of compost if on site • Will not attract CPRS 	<ul style="list-style-type: none"> • Is likely to result in significant dissatisfaction from residents • Many residents will not want to store waste material on their property • Will result in greater illegal disposal • Removes economies of scale for Council to process material • Removes ability for Council to provide material back to residents • Will require an alternative management option for residents • May result in greater levels of on site incineration – a practice largely abandoned in urban Australia • Results in greater storage of material in urban areas in cyclone season • Results in greater areas for the harbourage of vermin – generally illegal in most States health legislation • Not suitable for units or smaller allotments (limited in this area)

Prose	Cons
	<ul style="list-style-type: none"> May encourage the storage of other types of material for longer creating health issues Anywhere from 45% to 70% of users of transfer stations carry only, or a significant portion of garden waste. This is a large percentage of the community to effect in one decision, particularly against recent survey by Council about satisfaction levels
Receive material and apply some form of treatment on Council site	
<ul style="list-style-type: none"> Able to apply higher levels of treatment and processing Able to develop higher level of quality (except for contamination) Able to divert material from landfill May result in lower costs of material management in comparison to landfill Maintain level of service May result in giving material back to the community Able to apply and use material in commercial quantities to generate useable products Will not attract CPRS 	<ul style="list-style-type: none"> Cost to Council Management requirement for Council Potential fire hazard in one place Large source of material if stored through cyclone season Potential for contamination Potential liability if not treated correctly Higher level processing costs will increase management expense (compost, mixing, in-vessel composting) Large area required for storage and management Requirement to manage leachate etc from storage and mulch area
Receive material for disposal to landfill	
<ul style="list-style-type: none"> Maintains level of service to resident Removes management headache 	<ul style="list-style-type: none"> May result in higher costs per tonne than treatment (\$44/tonne for disposal – dependant on density) Reduces compaction in bins, next contractor will adjust transport cost up Requires transport – so cost is transport plus disposal versus processing only in above version Community perception Useable recyclable material wasted Will attract CPRS and increase disposal charges Likely to actually cost more

Based on the above, a general feel is that some form of the current operation is probably most appropriate.

Council is particularly interested in refusing the material. Should this be adopted, residents will expect some form of alternate management process. These might include:

- Local on site residential incineration – almost all Councils in Australia have banned back yard burning, so not sure this is acceptable to Council as an outcome in the long term
- Illegal disposal
- Material taken to another Councils facility
- Council promote and/or subsidises compost bins – unlikely to deal with the volume

- Council promote bacterial agent – limited information available with regard to this material, without discussing with agent. Council is already in trials
- Subsidise garden mulchers – these can become quite expensive in order to manage acreage and palms
- Promote another person providing the service, for example garden bags – these will only end up in the service provider bringing the material to Council anyway – unless Council can require the person to process the material. It is unlikely this operation will result in a cheaper operation to what Council provides
- Council provide or promote a mobile mulching operation to take the material away.

6.4.1 Fee options

One of the key issues has with regard to garden waste is the cost and the fact the material does not appear to move from site. Council has three key tools available to it to combat both issues:

- Charge a fee at the gate for disposal of garden waste
- Consider the material as a product and therefore if there is no demand, it is not a product which is wanted – generate a product which is wanted
- Provide the material back to the residents at a much lower cost, or free

Many Councils operate with both of these tools and report that the residents ring asking when more is available.

Waste management is not free, and is only likely to cost more in the future. Creating an expectation in residents that it is 'free' or a 'right' creates poor behaviours and expectations which do nothing to promote responsible use of a service. Particularly when one resident pays the same as another, however brings many times the volume of material into the facility.

How Council measures the cost of mulching is also likely to result in disappointment. There are very few waste streams that result in a source of revenue for the owner/generator. Those that do are dealt with outside the waste stream simply because they have value. Expecting to create a product which is significantly valuable from waste is often not a realistic outcome. Councils expectation to make money (or for a contractor to make money) may be one source of disappointment to it.

Material which is disposed of to landfill in Litchfield Council costs Council \$44 per tonne for disposal and then a transport fee, from say around \$30 at Howard Springs up to around \$60 at Berry Springs. So a total cost of \$70 to over \$100 per tonne for material which is placed in RORO bins. The current mulching operation costs around \$32 per cubic metre finished (for higher quality double mulching). Assuming a density of say 500kg per cubic metre, this operation has a cost of say \$64 per tonne, which is less than the cost of transporting the material to landfill for disposal.

So by charging a fee at the gate, allowing a reduction in cost of the material when sold, and an altered perception of value, Council could restructure its contract and cost structure and may consider that it is actually saving money as opposed to disposal to landfill. When gate fees and sales are also included in the equation, the actual cost of management may be significantly less, or it may subsidise the additional cost of a higher quality product.

Council could introduce some of these cost options with little to no impact to customers to determine the effectiveness or appropriate price point for material to be sold. Refusal at the gate as an initial measure is likely to create significant animosity in the community.

Findings – Council needs to review the structure of its current contract with regard to the management of green waste.

The introduction of user charges will assist in lowering the cost of the management of green waste.

The comparative cost of managing green waste must not be measured against burning the material, rather it should be against the alternate transport and disposal cost as a minimum.

Council needs to review the standard of the material it produces and conduct a risk assessment in order to ensure does not open itself to additional risk from selling green waste.

Council may not be in a position to make a profit from the management or value adding to this material. Council needs to consider the market and the most appropriate structure in charging, quality, risk management and savings from diversion.

Council acceptance of green waste is generally expected by the community across Australia. Whilst there is some logic to on site management in more rural properties, it is not expected this would be acceptable to the community, and will become less so over time as the area becomes more urbanised.

7. Investigation of future landfill sites

Council had sought investigation into particular sites as part of this process. Aurecon's proposal after discussions with Council Officers adopted a different approach, mainly due to the potential cost of landfill investigation. Council indicated it was seeking to identify cost savings and believed it could run a landfill cheaper than what it currently pays to Darwin City Council. As a result, it became apparent that the key issues related to:

- The potential attitude of regulatory authorities, and likely landfill standards
- The likely cost of developing a facility in relation to the potential standard cost drivers.

The development of a landfill is a long term decision. Many Councils' in Australia who have failed to understand the costs and risks of operating landfills have found themselves in a dangerous financial situation as a result of failing to adequately account for and identify costs related to construction, operation, closure and post closure.

Even landfills now being developed for Councils only slightly larger than Litchfield, cost in the order of many millions of dollars simply to set up. Four to six million for a facility the size required for Litchfield would not be uncommon.

The total life cycle operational cost of facilities is typically measured in the tens of millions to many hundreds of millions, with cities now spending in the tens of billions on facility development, management and operation. Litchfield must therefore be certain of its risks and even if it is appropriate to move to the next step in considering the development of a new landfill.

Our approach seeks to clearly identify a go – no/go for Council before significant expense is deployed to begin the business case and site selection process. Five hundred thousand to one million dollars can easily be spent simply on investigation, design and approvals.

7.1 Landfill standards in the Northern Territory

Issues with regard to the likely standards required for landfill development, construction, operation and post closure were discussed above.

Key factors for Council to consider are that any landfill to be developed will need to be appropriate sited in accordance with environmental, social and economical requirements. Approvals, design and construction will be to a higher standard than previously developed in the Northern Territory.

NRETAS did not discount the potential for approval of a new landfill, although it was made very clear the standard of facility which would be required. A preference was also demonstrated for a regional approach, and NRETAS openly identified what they believed to be potential regional opportunities.

Potential cost and regional options are discussed below.

Findings – Council will be required to develop and operate a much higher standard landfill than it has previously run should it proceed.

7.2 'Back of envelope' estimate of cost for Litchfield

Many local governments are not aware of the full cost of operating a landfill for a number of key reasons including:

- There is no record of the volume or tonnage of material entering the site
- Construction and set up costs are not accounted for, or they are depreciated over far too long a period
- Post closure and rehabilitation costs are not accrued or accounted for
- Cash accounting on operating expenses each year are the key measure of cost

In order to determine if Litchfield Council could potentially develop and operation a landfill at a cheaper cost than what they currently pay to Darwin City Council, a simple landfill cost model has been prepared.

The aim of this exercise is not to get every cost item strictly correct, or to identify every single item of expenditure, rather it is to:

- Identify the quantum of costs
- Include the major expenses in landfill construction and operation
- To consider these costs across the life of the landfill

This costing is to be used as a 'barometer' to determine if Council should perhaps proceed further in the development of a landfill. This estimate will also provide Council with an estimate of what it might expect to spend in the developing a landfill facility. It is not a pricing model, and has not taken into consideration the local environment or any particular site. Costs are however, based around our experience in the development and operation of landfills over many years.

Each of the key components of the landfill development and operation are discussed below.

7.2.1 Construction and development costs

Key phases in the development of the facility include:

- Business case development
- Site investigation, selection and approvals
- Site acquisition
- Facility design and procurement
- Site construction

Table 7.1 shows the key cost components and estimated amounts.

Table 7.1 Construction and development cost estimates

Phase	Cost estimate (\$K)
Business case development	150
Site investigation, selection and approvals	550
Site acquisition	2,500
Facility design and procurement	120 – 200
Site construction: Site establishment	24
Erosion and sediment control	147
Earthworks	252
Liner	221
Drainage	370
Water and sewerage	19
Road works – 100 m only	184
Site office and weighbridge	452
Landscape and fencing	222
Electrical	30

Phase	Cost estimate (\$K)
Miscellaneous	5
Contingency	1,100
Total	6,346

A landfill is typically developed in stages. Construction costs above, only relate to the initial cell construction items. For example, earthworks and liner have been calculated based upon the area or volume required for the first three years of operation. Other costs are sunk into the development initially and will remain for the life, for example the site office, weighbridge and fencing.

Findings - Council should expect to budget and spend between \$4 million to \$6.5 million before the first tonne of waste is received. This is in line with the development of facilities to a similar standard by other Councils in recent years.

7.2.2 Operational costs

Operational cost estimates are shown in Table 7.2. Only the first year expenses are shown.

Table 7.2 First year operational cost estimates

Item	Cost method	Cost estimate (\$K)
Cover soil winning and placement	2,300 cubic meters at \$10.97	26
Waste compaction	520 loads at 05 hours per load	96
Labour, supervision and management	2 full time staff – 4 days on 4 days off. Double staff in year 14. Waste vehicles only	212
Monitoring	Estimate	60
Leachate management	Estimate	24
Maintenance	Estimate	24
Total		442

Labour, monitoring, leachate and maintenance are grown at CPI. The number of staff has been doubled in year 14.

Cover requirements have been based upon the frequency of cover and the volume of waste received to generate a cover volume around the depth of cover. This amount therefore grows in line with the volume of waste received. Cover costs are estimated and grown by CPI and applied to each years volume to provide an annual amount.

Compaction costs are based around the number of loads coming into the facility, and the time taken to compact each load. The hours required is then applied to an hourly rate grown by CPI. A flat finance cost for the compactor is included and amended each seven years to follow a plant replacement program and refinancing.

This includes only the major cost items. No contingency is included.

Findings - Council can expect to spend around \$400,000 to \$650,000 in the first year of operations.

7.2.3 Future cell development costs

The volume of waste received can be expected to grow each year. A fixed term has been selected to ensure that the landfill can be managed based around the resources available. A period of three years has been chosen for each cell construction phase. The size of each cell will increase to cover three years of waste as the landfill grows.

As each cell is depleted, another cell will need to be developed prior to completion of the current cell. Earthworks and lining costs are therefore incurred throughout the life of the facility.

The volume of earthworks is based upon the volume of waste to be received in the coming three years. The area of the liner is based on the same volume, applied to the area around an average depth of waste placed.

This method is not exact, however it will spread the cash flows out far more accurately than other methods, such as accounting for the total cost upfront. The discount factor will reduce the effect of future years expenditure in weighted terms in relation to expenditure now.

CPI is used to grow the actual cost factor such as the liner cost per metre squared, and the earthworks per cubic metre.

7.2.4 Capping and post closure costs

Capping and post closure costs will change over time and will be required in an ongoing manner throughout the operation of the facility as per the earthworks and liner costs above. A similar approach is taken, however the construction lags the completion of each cell rather than preceding it.

Monitoring, leachate and maintenance costs have been continued after closure of the landfill for a term in alignment with the CPRS liability. Post closure requirements will vary and be dependant upon the performance of the site, but typically last for 15 to 30 years.

7.2.5 CPRS

CPRS is a large unknown at this point, however it has been included in the model based around the current methodology using the DECC landfill model.

The volume of waste received is based around the current volume, and grown at 6% over the term. The default settings are used as per the CPRS discussion above.

The sites which have been identified to date could be expected to fall within the proximity rule, lowering the reporting and trading threshold to 10kt per annum, which has been applied. The cost of the each trading permit is considered to start at \$20 per tonne and is grown by CPI and applied in the years that the threshold is exceeded based on the levels exceeded.

7.2.6 Finance costs

Finance for the compaction unit has been factored into the plant replacement program.

Finance has been included for the initial construction cost and is set for the life of the landfill.

Ongoing cell construction and capping has been treated as an operational expense, although in reality they would be capital and therefore require finance, or depreciation of some sort.

Finance costs are therefore likely to escalate over time, however in this case they are likely to be slightly lower than in reality. Given this is a back of envelope exercise; this is not seen as an issue.

7.2.7 Weighted average cost of capital (WACC)

Cash flows for each year are grown by CPI and the relevant growth factor in the waste volume as discussed above. The total cash flow for all expenses are summed for each year to give a total cash flow over the term. Cash flows over the life of the project are shown in Figure 7.1.

Cash flows following closure of the site (post closure care) have been calculated as a net present cost and shown as a terminal value in the last year of the chart. Revenue from these costs will need to be recovered during the operating life of the facility, otherwise there will be an unfunded liability which will drain on other Council resources.

All other costs after summary into yearly cash flows have been discounted to a net present cost. Selection of the discount rate is a key factor in determining the actual life cycle cost of the facility.

Findings - Overall, the total project has a life cycle cash flow requirement of approximately \$88 million and as such is a significant project.

The weighted average cost of capital (WACC) – or discount rate, is a key figure in this exercise and impact upon the outcome significantly. This figure represents the cost of capital and the return which would be expected of such an investment of cash. In simple calculations, the risk free rate (the cash rate) is often used, however this is not strictly correct. Calculation of the appropriate cash rate is outside the scope of this exercise, however a range of WACC are shown in the following section.

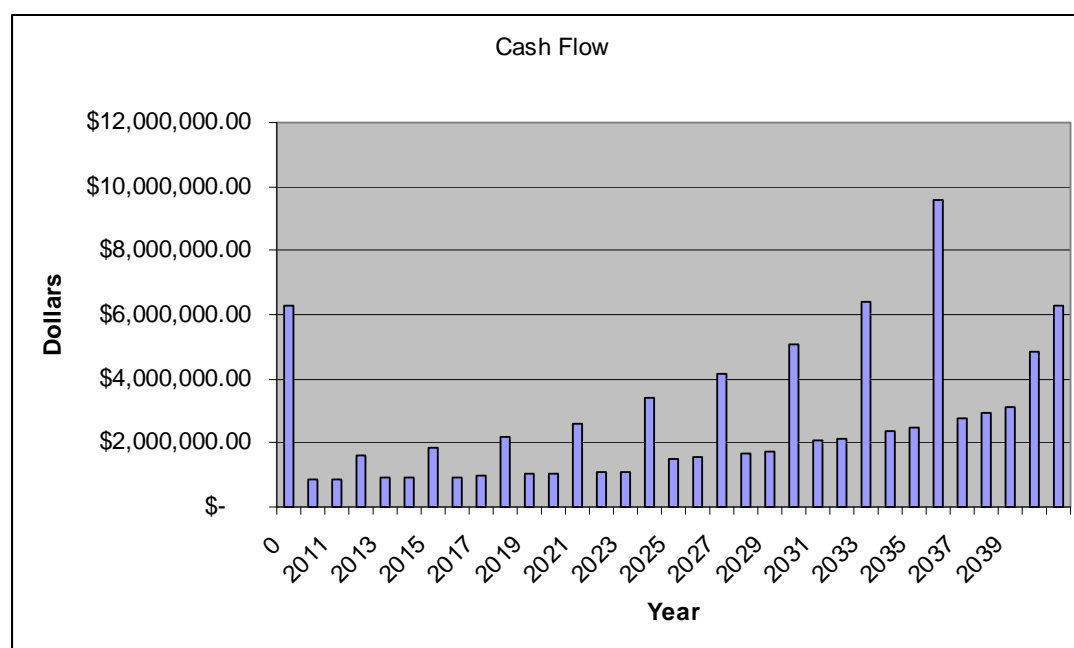


Figure 7.1 Project life cycle cash flows

7.2.8 Outcome and sensitivity

One of the key factors Council will need to consider in its business case, is the appropriate WACC to apply to the project. Aurecon can calculate this figure, however often the relevant State or Territory treasury calculates the WACC for projects frequently. There may, however be no similar project recently carried out by the NT Government which will apply to a waste management project of this type. Figure 7.2 shows the effect of various WACC figures on the per tonne outcome.

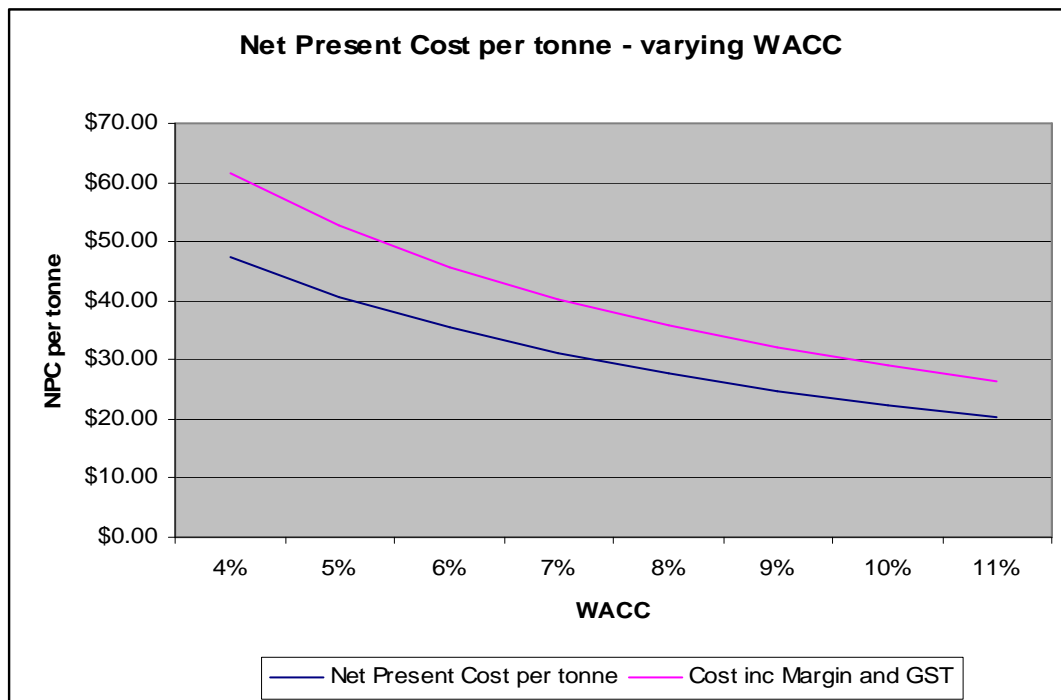


Figure 7.2 Effect of WACC on Net Present Cost – 6% population growth

With a 30 year life, a landfill for Litchfield at 6% growth will receive around 899K tonnes of waste material. This will result in a net present cost of the project at a 6% discount rate of around \$31,800,000, or around \$35 per tonne (excluding margin and GST).

Decreasing the population growth to a lower level (although still quite high for population growth) of 3%, with all other factors being equal, reduces the tonnes received to around 530K tonnes. The net present cost in this scenario becomes approximately \$73,000,000, and so the per tonne rate increases to around \$51.50 per tonne. Figure 7.3 shows the net present cost per tonne with varying discount rates and a 3% population growth factor.

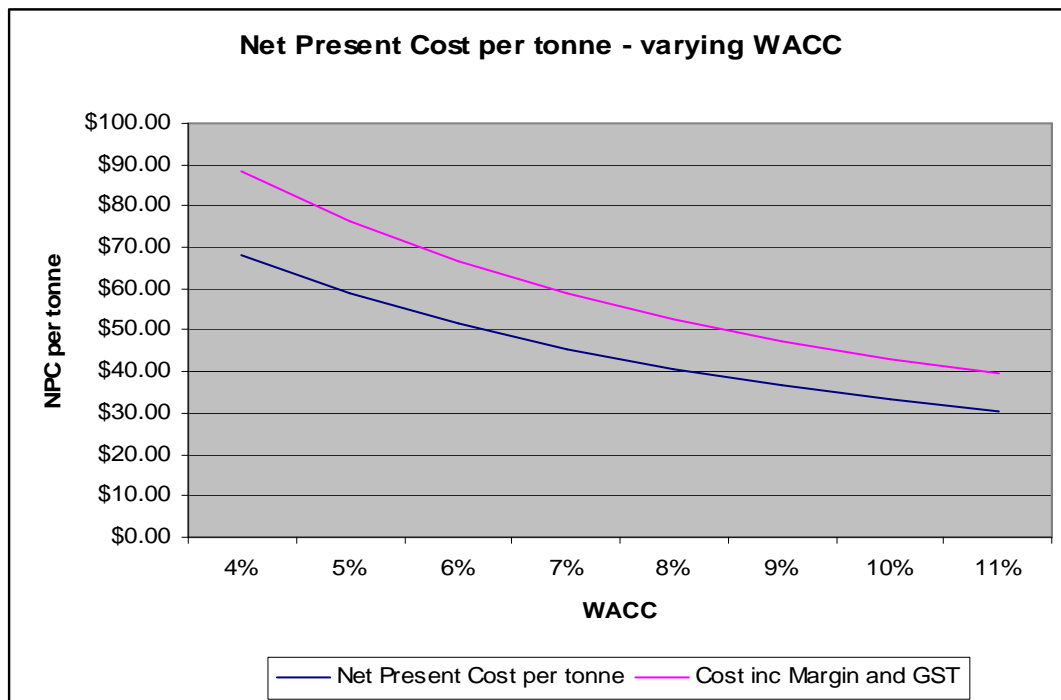


Figure 7.3 Effect of WACC on Net Present Cost – 3% population growth

Using various WACC at 6% population growth the project will cost Council in the range of \$20 per tonne at an 11% WACC, to almost \$50 per tonne at a 4% WACC.

Using various WACC at 3% population growth the project will cost Council in the range of \$30 per tonne at an 11% WACC, to almost \$70 per tonne at a 4% WACC.

This outcome shows the sensitivity of this type of project to these key assumptions. At 6% population growth, a WACC higher than say 5% represents an opportunity into which perhaps Council should further explore, however a 6% population growth over 30 years is considered very high.

At a 3% population growth, a WACC of higher than 8% is required before the project becomes viable to consider further. Council must consider both population growth and the WACC very closely, as it is not appropriate to change these figures to suit the outcome required. Fixing the inputs to deliver an outcome is a recipe for financial disaster in this type of project. With a NPC in the vicinity of \$30 to \$40M, this is a significant project in respect to Council's budget, and one which could seriously impact the financial viability of the Council should it make the wrong decision.

Findings – Population growth and the WACC have a significant impact upon the outcome

Costs might be expected to be relative to the existing Shoal Bay facility, dependant upon the above.

7.3 Regional opportunities

There are a range of issues which lend themselves to an improved outcome for Litchfield and the Darwin region if a regional approach was adopted. Whilst no modelling has been conducted as it is outside the scope of this review, clear opportunities for regional collaboration have been identified during the conduct of this process to date.

7.3.1 First impression

First impressions of the opportunities for improved waste management in the region included the potential for a regional approach between Darwin, Palmerston and Litchfield. These localities are quite close and together represent around 100,000 people which creates some scale to attract contractors and create economies of scale.

Darwin City Council

Darwin City Council is already receiving waste from the region having the only approved landfill in the region. Darwin City Council Officers however did exhibit some reluctance at being considered the regional landfill and made it clear that situation was by default not design.

Darwin City Council Officers declined to provide data with regard to the life of the Shoal Bay landfill. The need for additional landfills in the area from a capacity perspective could not therefore be considered.

Officers did see the potential for a regional approach; however this was more in the hazardous waste area. Hazardous waste is not likely to be a large issue for Litchfield and requires additional specialist equipment and personnel.

Palmerston City Council

Palmerston City Council is only receiving minor amounts of material to its landfill, with the majority going to Darwin's Shoal Bay landfill. Palmerston City Council Officers at the CEO and Director level, see clear opportunities for regional cooperation in the development of facilities.

One of the key issues raised by Council is the use of the Howard Springs transfer station by residents of Palmerston. An opportunity exists to open dialogue with Palmerston to consider some form of joint funding arrangement for this facility.

Palmerston would potentially triple the volume of waste material received at a joint facility. Whilst there would be some additional operating expenses, these would mainly be variable in nature. Fixed costs might increase slightly in the short term, however when considered against the tonnes to be managed, the per tonne rate would likely reduce substantially.

7.3.2 NRETAS

Officers of NRETAS openly indicated they saw opportunities for regional collaboration, and even put forward a number of other Councils who had not been previously considered, including Coomalie.

Should Litchfield wish to proceed down this path, it would appear NRETAS would look favourably upon the project and a better outcome might be achieved for all parties.

7.3.3 Regional landfill

Developing a facility which would act regionally is likely to deliver better environmental and financial outcomes for the parties. Darwin City Council would also potentially benefit, however given its response, it would not likely become involved, and is large enough to operate on its own accord if need be.

A regional facility with Palmerston and Coomalie, or some other parties also, would most likely be located close to Litchfield as Palmerston is the most populous area. This will benefit Litchfield and a regional facility would most likely be located within the Litchfield Council area.

Council would need to consider the institutional arrangements in a scheme such as this, as it is unlikely it would operate smoothly over the long term without the development of a separate management entity owned by the relevant Councils, but with management autonomy.

7.3.4 Infrastructure generally

The development of infrastructure generally would also benefit from some form of regional approach. Residents typically do not care who owns or operates a disposal facility. Two key factors are generally considered relevant by residents, cost and proximity.

Given the potential for significant growth and the development of Weddell, there is the potential for consideration of infrastructure more generally on a regional basis. This could include the need for landfills, transfer station and other processing infrastructure such as materials recovery facilities and green waste processing facilities.

A regional infrastructure plan would not so much consider itself with ownership at this point, rather it would consider the:

- Needs of the residents, particularly related to appropriate travel time
- Most appropriate location and number of facilities
- Capacity of the facilities
- Time in which facilities are likely to be required
- Cost of the facilities.

A clear opportunity exists to consider these issues regionally and to consider the appropriate method of funding and operation with Palmerston and perhaps some other smaller Councils. Service level and financial benefits as well as environmental benefits would likely accrue from such a process. Key restraints to such a process are likely to be purely political or organisational in nature.

Findings – A regional waste infrastructure plan should be developed to deliver waste infrastructure through the region as it grows.

7.4 Existing facilities considered by Litchfield Council

Council identified four potential facilities. Whilst these facilities have not been visited, some desktop work has been completed to identify the general nature of the areas. These comments are sourced from general geological information from readily available sources and have not been verified.

Gunn Point Locality

Hydrology	The site is not subject to regular flooding
Topography	The site is relatively flat
Soils	Kandosols: Soils that are massive and earthy (formerly red, yellow and brown earths). Throughout the NT; widespread across the Top End, Sturt plateau, Tennant Creek regions and Central Australia.
Adjacent land uses	Surrounded by vacant land.
Local flora and fauna	Not within a Priority Environmental Management Area Sensitive vegetation (mangroves, rainforest) around Saltwater Arm
Road access	No direct road Access via Gunn Point Road (not all-weather)
Distance	Close to Darwin, Palmerston & northern Litchfield Shire

Sunday Creek Locality

Hydrology	The site is not to regular flooding in the south-east.
Topography	The site is relatively flat
Soils	Hydrosols: Seasonally wet soils. Throughout the NT on floodplains, swamps, drainage lines but more common in higher rainfall areas. Includes mangrove and salt marsh environments.
Adjacent land uses	Surrounded by vacant land.
Local flora and fauna	Not within a Priority Environmental Management Area Some sensitive vegetation (rainforest)
Road access	No direct road Access via Goode Road (all-weather)
Distance	Close to Litchfield Shire

South Darwin Harbour

Hydrology	The site is not subject to regular flooding
Topography	Some steep land to the west
Soils	Kandosols: Soils that are massive and earthy (formerly red, yellow and brown earths). Throughout the NT; widespread across the Top End, Sturt plateau, Tennant Creek regions and Central Australia. Hydrosols: Seasonally wet soils. Throughout the NT on floodplains, swamps, drainage lines but more common in higher rainfall areas. Includes mangrove and salt marsh environments.
Adjacent land uses	Surrounded by vacant land.
Local flora and fauna	Not within a Priority Environmental Management Area No sensitive vegetation (mangroves, rainforest)
Road access	No direct road Access via Cox Peninsula Road (not all-weather)
Distance	Close to Palmerston & south-western Litchfield Shire

King Creek / Howard River

Hydrology	The site is not subject to regular flooding
Topography	The majority of the site slopes to the east
Soils	Kandosols: Soils that are massive and earthy (formerly red, yellow and brown earths). Throughout the NT; widespread across the Top End, Sturt plateau, Tennant Creek regions and Central Australia.
Adjacent land uses	The community of Howard Springs surrounds the site to the east and south (~2-4 km). The Howard Springs Nature Park is to the south-east.
Local flora and fauna	Not within a Priority Environmental Management Area No sensitive vegetation (mangroves, rainforest)
Road access	No direct road Access via Howard Springs Road (all-weather)
Distance	Close to Darwin, Palmerston & northern Litchfield Shire

7.5 Next steps and findings

Further consideration is required around the likely future population growth rate of Litchfield. Regional opportunities also exist, which even if Litchfield can not afford a new landfill alone, may alter the economics of the project.

Should Council wish to proceed further the following steps are broadly recommended:

- Prepare a proper business case for the project to determine the actual cost/benefit which would consider
 - The actual population growth for Litchfield
 - Likely cost constraints for individual sites considered to date
 - Opportunities for regional collaboration including likely benefits to parties
 - Potential financial arrangements for the project and funding sources and cost
 - The development process and likely landfill development costs in further detail
 - Site specific cost estimates for each site under consideration
 - Ownership and institutional arrangements for the facility development
- Consider the site investigation process in order to ensure that gates can be created to exclude sites before too much is spent on an inappropriate site
- Consider the political landscape and approvals process thoroughly in order to clearly demonstrate the need for the facility
- Develop mitigation strategies to manage the CPRS

At this point, the costs look marginal and given the potential risks, Council may not wish to proceed any further. Darwin City Council however, is likely to increase its gate rate when any CPRS comes in.

Given the potential regional opportunities also, further work on considering a landfill and developing a robust business case and further site investigation is considered warranted. This is subject however, to Council understanding that it may be required to spend in the range of \$4,000,000 to \$6,500,000 prior to the facility even opening. Expenditure of \$500,000 to \$1,000,000 could quite easily be expected simply in investigation and approvals before the site is even purchased and approved.

If Council is not prepared to spend these sums, then it should perhaps not proceed further at this point. Failure to adequately resource and plan a landfill development project often simply results in more being spent and results in scrapping the project or a sub optimal outcome over a long period of time.

8. Rationalisation of transfer stations, closure of Howard Springs

8.1 Existing transfer network

Council has sought advice with regard to the suitability of its existing waste transfer station network. Particularly with regard to its ability to rationalise the number of facilities. Key issues which appear to be driving this question include (and focus on closing the Howard Springs facility):

- Use of the facility by Palmerston residents to which Council has no access to revenue under its current fee structure
- Cost of the operations in general and the increase in costs expected
- The new Humpty Doo facility and its ability to service the northern parts of the Council
- The general rationalisation of the facilities given their proximity, particularly Howard Springs and Humpty Doo.

Key questions Council has asked include what type of service would be provided in the event Howard Springs closed, particularly with regard to residents in the Knuckey Lagoon area.

Issues to be considered in reviewing Councils transfer station network depend upon Councils key objectives and the area under consideration (should a regional view be taken?).

Key objectives when considering the need for infrastructure include:

- The level of service to be provided (typically measured as a travel time to reach a facility)
- The level of diversion required
- The cost of the operations.

In this case, the key factor appears to be cost, followed by the level of service to be provided. These factors would be considered in light of the existing network, and the future population growth and demands in order to identify the optimal location and capacity of facilities.

Service level objectives assist identifying the number and location of facilities required, and also in part their required capacity.

Diversionary objectives assist to identify the actual type of facility required, as well as their capacity.

Cost objectives assist to balance the achievement of other objectives against the community's capacity to pay.

Diversion is not considered at this point, as it has not been raised as a key factor. Further, correct planning of facilities should allow for multiple operations at transfer stations such as garden waste and scrap metal diversion at the least.

A waste infrastructure plan typically identifies the infrastructure required to meet a Councils strategic objectives with regard to waste management. Focusing purely on infrastructure the key objectives raised above will assist in determining the infrastructure required over a given period of time. The key output of an infrastructure plan will identify:

- How many facilities are needed?
- Where are they needed?
- What type of facilities are needed?
- When are the facilities needed?
- How big should the facilities be?
- What will they cost to construct?

The preparation of a complete infrastructure plan is outside the scope of this exercise, however general comments around the key issues are provided below.

8.1.1 Service levels and travel time

Councils often have an existing network of infrastructure to manage waste. Given the cost of these facilities it is prudent to start any review with a review of the suitability of the existing network of facilities. Typically the key issue to address first relates to the location of the facilities and whether the facilities provide an appropriate level of service to the community which they serve.

The first issue the general population typically considers in their perception of a given level of service, relates to how long it takes to travel to a facility. Aurecon has prepared a number of infrastructure plans for Councils using this methodology, and the vast majority adopt a 20 minute and 30 minute travel catchment sequence.

A level of service objective can then be set by identifying the percentage of the population which is within each travel band. For example:

- 90% of the population are within 20 minutes of a facility
- 95% of the population are within 30 minutes of a facility.

This accepts that some people will be outside some defined objective, however allows Council to measure its performance and plan for the infrastructure requirements over time.

Whilst outside the scope of this exercise, Aurecon has prepared a number of preliminary maps to assist Council to understand its current level of service. No population analysis has been undertaken. Twenty and 30 minute catchments have been prepared with no consideration of the Council boundary in order to understand the existing facility catchments.

Litchfield Council differs from most other Councils in that they provide no kerbside waste collection service. The effect of this, on service levels is that it would therefore require a much higher level of service to be provided by having more facilities in its network.

The following maps represent the travel time of the total catchment with all facilities and then each facility alone⁶. The dark green represents the 20 minute drive time catchment, light green is the 30 minute drive time catchment. No consideration is given within the maps to other Council facilities in the region, although it is recommended that a regional infrastructure plan be considered in conjunction with the landfill business case.

⁶ The preparation of travel catchment maps is outside the scope of this project. Aurecon have prepared these for visual discussion purposes only and they have not been verified in any way. The travel catchment maps are generated from a computer algorithm and are general in nature only and should not be relied upon by Council.

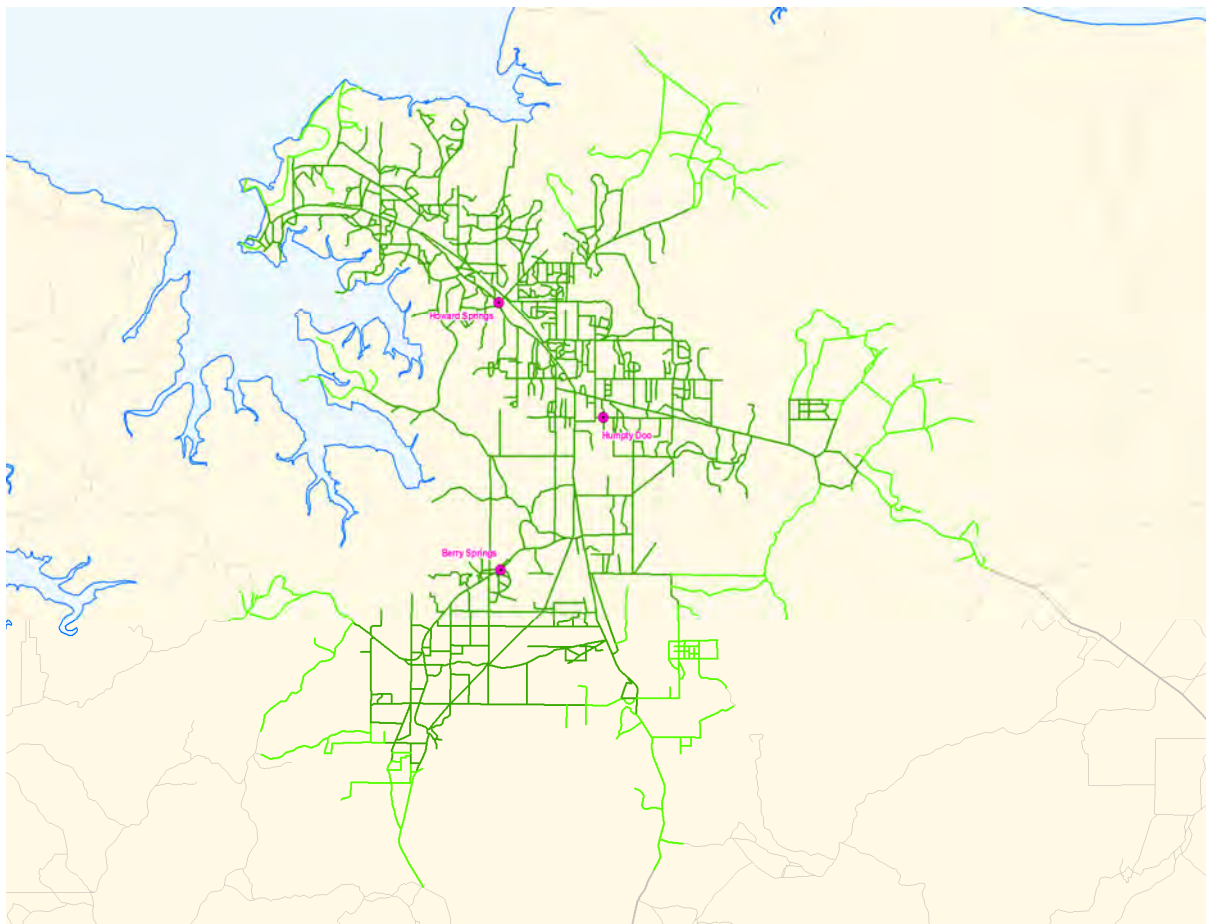


Figure 8.1 Travel time catchment for all facilities

The most populous areas in Litchfield Council are around Humpty Doo, Howard Springs and areas to the north of the Council around the major highways.

Based upon Google maps, the time to travel between each facility is:

- Howard Springs to Humpty Doo - 21 minutes
- Howard Springs to Berry Springs - 35 minutes
- Humpty Doo to Berry Springs - 28 minutes

This would indicate that each facility is generally a ten minute drive from any point in the most populous areas.

Due to the location of the Howard Springs facility being quite close to the Palmerston City Council boundary, the twenty minute travel catchment for this facility reaches almost into Darwin itself and in practice results in drawing users from other municipalities.

Overall the facilities are quite well spread, and given the fact that there is no kerbside collection service, they are necessarily quite close. The facilities are however, considered to be generally well located and there are regional opportunities particularly for Howard Springs given its location close to Palmerston in particular.

Should any facility be considered for closure when considering Litchfield alone, it would certainly be Howard Springs from a location perspective. Howard Springs however, is the closest facility for residents on the far north of the Shire, such as Knuckey Lagoon.

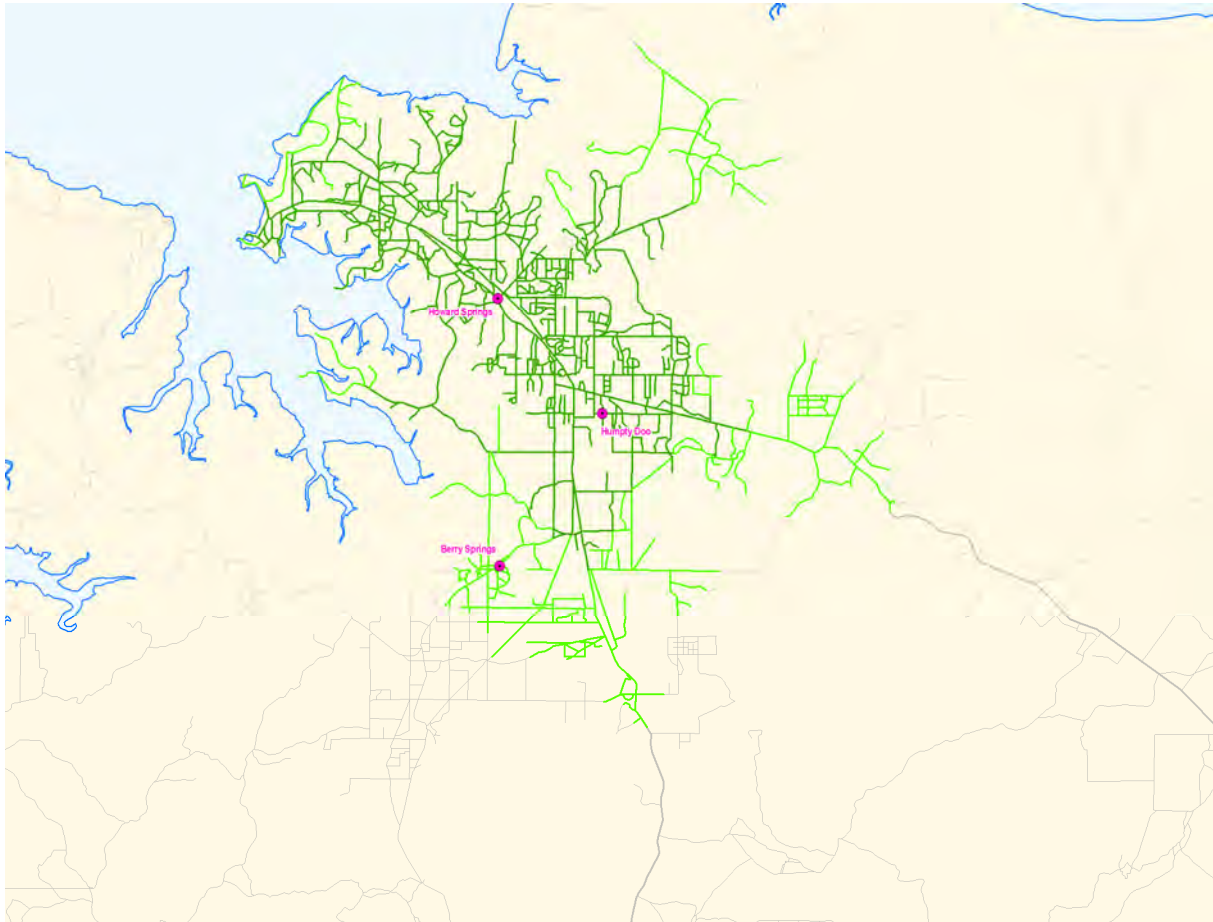


Figure 8.2 Travel time catchment for Howard Springs facility

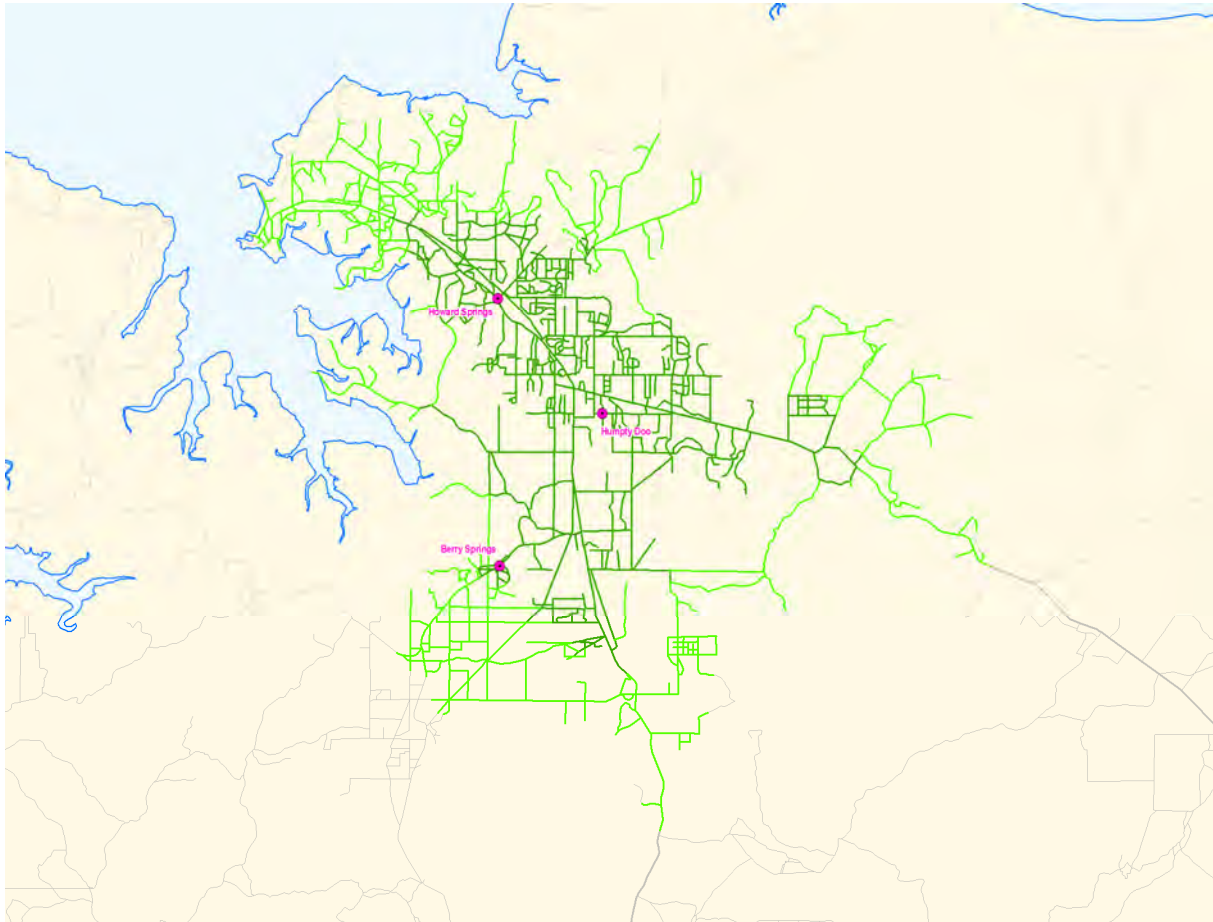


Figure 8.3 Travel time catchment for Humpty Doo facility

Humpty Doo is quite central to the more populous areas in the Shire, and a new facility is currently being constructed in this area. If Council decided that one facility was appropriate, Humpty Doo would represent a suitable location.

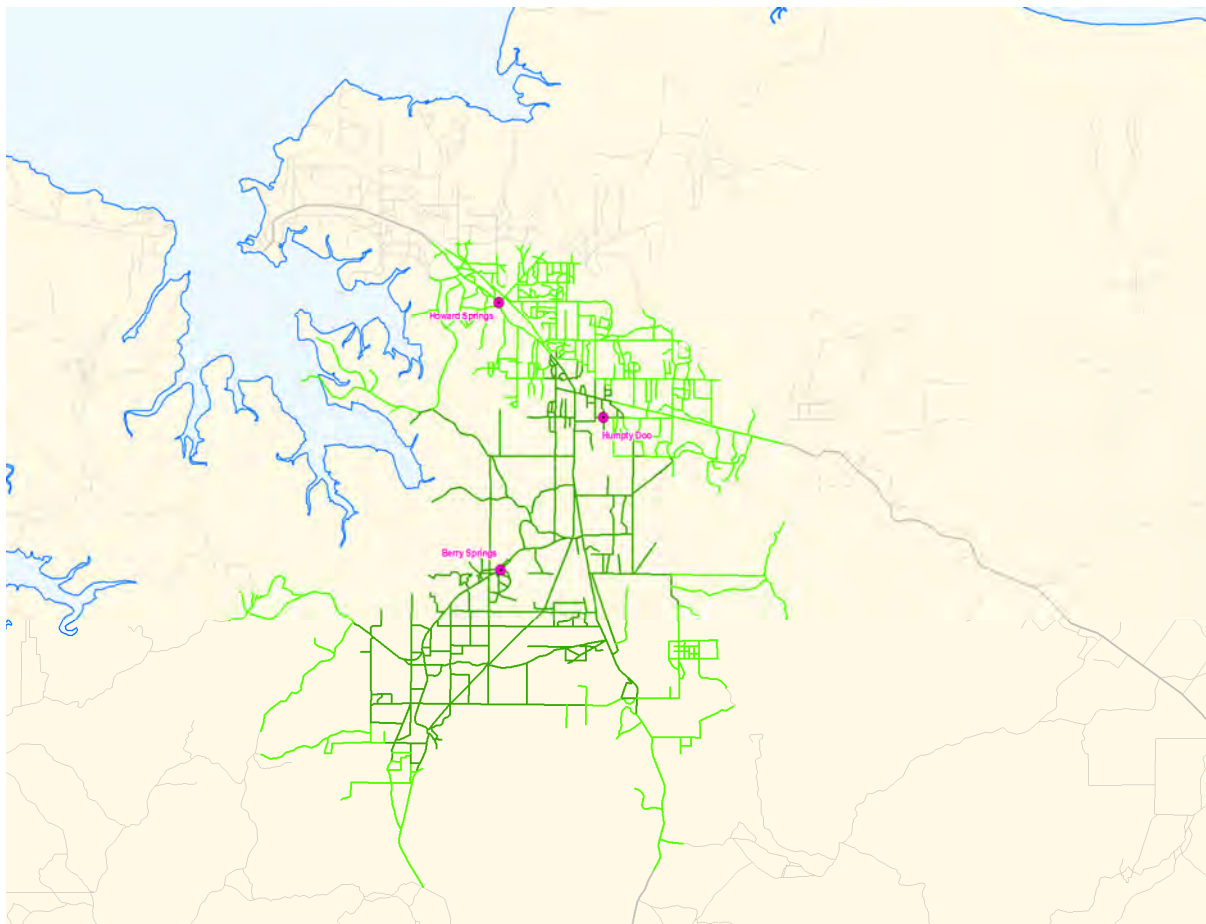


Figure 8.4 Travel time catchment for Berry Springs facility

The Berry Springs facility services the more rural areas in nature to the south west. Its location is considered appropriate given the remote populations in that area and by Google maps, Darwin River is only approximately 13 minutes to Berry Springs.

The Berry Springs facility appears to be much quieter than other sites, and is expected to remain, although the hours of operation is the most likely change recommended, along with supervision for this facility.

8.1.2 Waste transfer station network cost

Within local government, any change to the current waste network and operations is generally considered against the current cost of operation. This is clearly the case in Litchfield, and there appears to be pressure to reduce costs. This approach becomes difficult when risks exist such as those at unsupervised facilities.

In considering the cost of a network, the total life cycle cost of the entire system should be considered, particularly where cost is the key factor. This can become difficult due to the sheer number of system options which are possible.

The system at Litchfield does not involve any collection of waste from the kerbside and limited recycling. Council is under pressure to introduce these sorts of services. The difficulty in considering these issues against current system costs is that the current system comes from such a low cost base. This does not mean Council should not introduce new initiatives; however it will be quite difficult to justify changes which result in a higher level of service. The most likely outcomes relate to reductions in the current level of service. This is satisfactory as long as Council is prepared to deal with the reduction, and it ensures that it is compliant and manages risk in its current operations.

8.2 Closure of Howard Springs

There are a range of potential management options to reduce the costs of operation of Howard Springs, and a number of arguments as to why it might remain part of the facility network. However, the Howard Springs facility also stands out as the most appropriate out of the three Council facilities to close if rationalisation was the aim.

There are many options available to Council should Howard Springs be closed, however there are two key options available to Council:

- Close the facility and make no other major changes
- Close the facility and introduce kerbside collection to some areas.

The main issue with respect to the closure of the Howard Springs facility relates to the nature of the operations which remain at the Humpty Doo facility. The development and operation of the new Humpty Doo facility is outside the scope of this project, so high level comments have been made with regard to existing operations at Humpty Doo. Should Howard Springs close, the key impacts upon Humpty Doo include:

- Increase in the volume of waste material delivered to Humpty Doo
- Increase in the amount of traffic travelling to and from Humpty Doo
- Increase in the amount of garden waste and scrap metal to be managed at Humpty Doo.

Close Howard Springs with no other major changes

A number of the potential changes might be argued to be constant, such as the cost to manage garden waste etc, as the same total system volume is managed. As result, in order to provide a general consideration of the financial impact, two scenarios have been considered against the current case:

- Close Howard Springs, no additional services or changes to Humpty Doo operations
- Close Howard Springs, no additional services, increase Humpty Doo supervision.

A summary of the relative costs for each facility is provided in Table 8.1. Whilst savings can be potentially made closing Howards Springs, without other changes they are likely to represent approximately \$100,000, or around 9%.

Table 8.1 Closure of Howard Springs, simple cost scenarios

Scenario	Transport (\$K)	Supervision (\$K)	Total cost (\$K)
Current	399	348	1,233
Close Howard Springs	431	204	1,121
Close Howard Springs and increase supervision at Humpty Doo	431	276	1,192

The introduction of any additional services will potentially erode this cost saving, although if only the Knuckey Lagoon area is considered with only around 174 households in the area, the additional cost to service by kerbside collection might be in the order of an additional \$20,000 to \$26,000 per annum. This would involve direct delivery of waste collected at the kerbside to the Shoal Bay facility.

Close Howard Springs with other operational changes

The major potential changes with the closure of Howard Springs which involve more than changing the hours of operation at Humpty Doo involve the introduction of compaction, and the introduction of collection services at Knuckey Lagoon. Previous sections have discussed the potential to introduce kerbside collection to a wider area. These have not been considered further at this point due to the low cost base upon which Councils services are already based.

Key operational changes considered at a relative level include:

- Close Howard Springs, no additional hours at Humpty Doo and the introduction of compaction at Humpty Doo
- Close Howard Springs, increase the hours of supervision at Humpty Doo, and introduce compaction at Humpty Doo
- Close Howard Springs, increase the hours of supervision at Humpty Doo, introduce compaction at Humpty Doo and introduce kerbside collection at Knuckey Lagoon

Scenario one above is not presented here as it is not considered feasible. It is not recommended that any facility with compaction be left unsupervised for any time, and so whilst cost estimates have been prepared, they are not presented due to the significant risk.

Table 8.2 Closure of Howard Springs with operational changes

Scenario	Transport (\$K)	Supervision (\$K)	Compaction (\$K)	Total cost (\$K)
Close Howard Springs, increase hours at Humpty Doo, and introduce compaction at Humpty Doo	335*	276	63	1,159
Close Howard Springs, increase hours at Humpty Doo, introduce compaction at Humpty Doo, and introduce kerbside at Knuckey Lagoon	360*	276	63	1,184

Table note:

* Assumes Berry Springs is delivered to Humpty Doo

Whilst the above scenarios do identify potential savings, none of the scenarios represent any large reduction in cost. Council should proceed carefully therefore with regard to the introduction of any scenarios, as the actual cost to introduce changes to operations will include variations on the ground in implementation and permutations in the market.

The potential cost structure of the new Humpty Doo transfer station has not been considered as this information is not available, and others have prepared the design and operation of this facility.

Other potential options exist for the Howard Springs facility, which is briefly discussed below.

Findings – Only minor financial gains can be made through the closure of Howard Springs.

8.3 Regional opportunities and future growth

Council is considering closure of the Howard Springs facility mainly due to the cost of operation, use by out Council residents, as well as it being relatively close to the Humpty Doo facility.

Growth within the Litchfield Council is clearly currently very strong around the Howard Springs area, as well as Humpty Doo to the south. The Palmerston City Council has a land area which is quite constrained and the next decade will likely result in any available land in Palmerston being developed. This creates a number of issues for Palmerston.

Firstly, residents in any local government area are not typically attracted to a waste management facility because it is operated by their Council. They will generally travel to the closest available facility to deposit their waste. Residents of Palmerston currently use the Howard Springs facility as it is more convenient than the Archer facility.

Secondly, the existing Archer site operated by Palmerston City Council is likely to face urban encroachment over the next decade which may result in pressure to close. In this case, Litchfield Council will then come under pressure again to receive residents from Palmerston. This is not an issue which Palmerston can control, as the public often make decisions for local government with regard to the siting of waste management facilities.

Should this occur the City of Palmerston has very few options available to it, which might include:

- Palmerston not replacing the facility
- It could seek to purchase a site within the Litchfield Council to develop its own facility
- It could do a deal with Darwin, Litchfield or both with regard to the ability of its residents to access their facilities.

The Howard Springs facility is an existing waste management facility with approvals and general community acceptance. Subject to planning controls being enforced by the NT Government to protect the facility, Litchfield Council may well wish to enter into an arrangement with Palmerston which benefits both parties. This may well also benefit Litchfield Council in many ways including:

- Reducing the capacity required for the Humpty Doo facility
- Creating an additional source of revenue for Litchfield
- Providing for additional capacity in the system as Howard Springs grows and Weddell is developed.

Work would be required to further understand the growth of the region as well as the capacity of waste transfer facilities required. Councils in the NT are likely to face many similar issues particularly in the greater Darwin area. Litchfield will experience growth and any new facilities may well be located within its boundaries given its provincial location and high population growth. An integrated approach is likely to provide benefits to all parties and remove some of the issues which Council is currently experiencing, whilst maintaining or increasing the level of service to residents. As the population grows, they are most likely going to expect higher levels of service and environmental control.

It is considered that there are likely to be significant potential benefits to Litchfield in considering regional options for the development of shared infrastructure to manage waste moving forward.

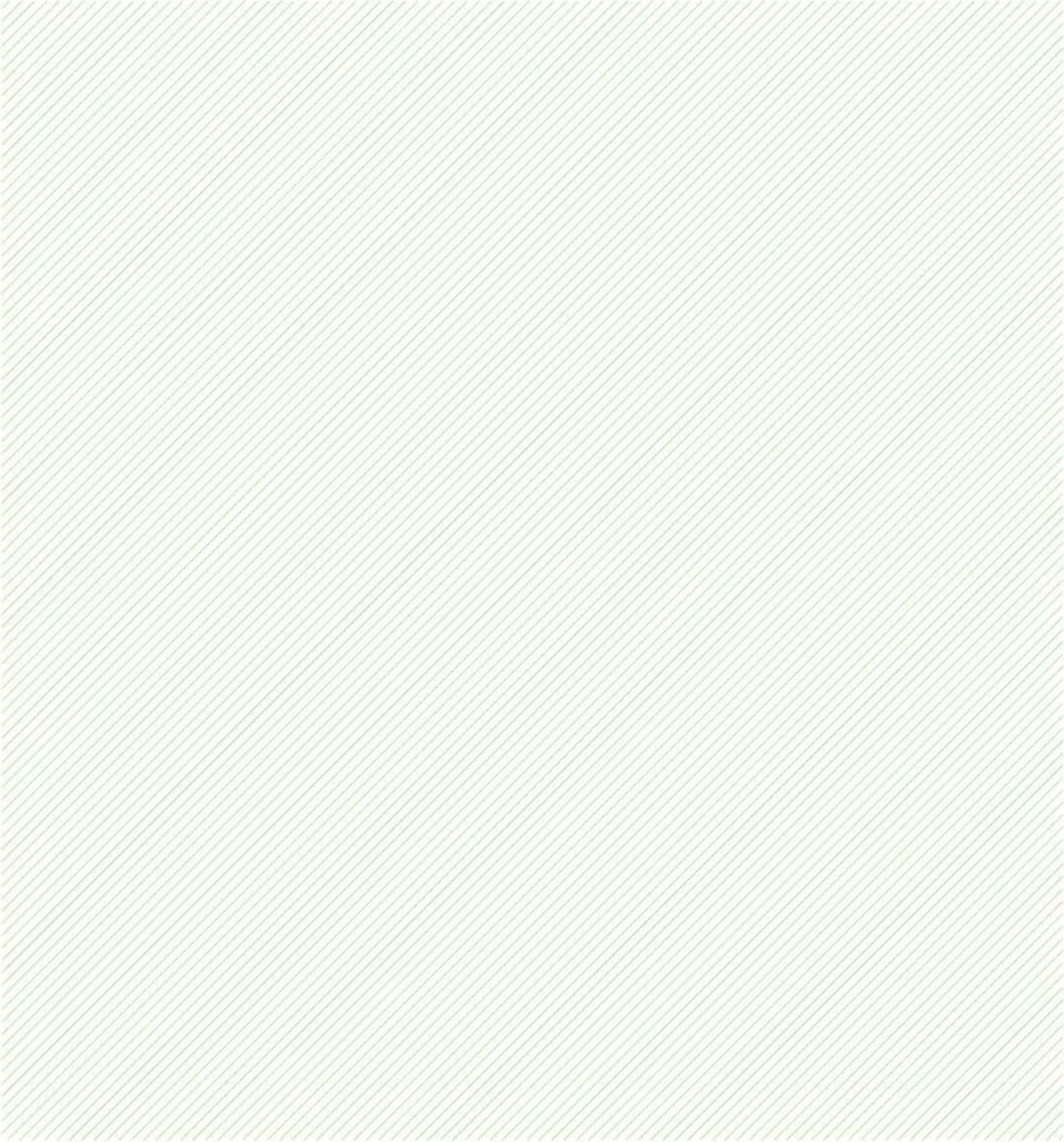
Findings – A regional infrastructure plan will benefit the region.

Opportunities exist with the Palmerston City Council to share the management of the Howard Springs transfer facility.



Appendix A

Summary of some NT and Qld Council general commercial fees



Appendix A

Municipality	Commercial garbage charge rate	Green waste charge rate	Recyclables charge rate	Notes
Northern Territory				
Darwin	\$44.50 per tonne	\$31.50 per tonne	\$148 per tonne	Minimum fee = \$8
Palmerston				No commercial waste acceptable therefore no charge
North Queensland				
Cairns	\$51 per tonne \$40 per m ³ if no weighbridge	\$45.50 per tonne \$29.50 per truck	\$42 per tonne <i>But no charge if separated</i>	
Tablelands	\$67 per m ³	\$16 per m ³	No charge	
Cassowary Coast	\$128 per tonne \$46 per m ³ if no weighbridge	\$4.50 per m ³	\$128 per tonne <i>But no charge if separated</i>	
Hinchinbrook	\$55 per tonne (min charge \$5)	\$38.50 per tonne	No charge	
Townsville	\$53.50 per tonne \$14.50 per m ³ for loose or \$19 per m ³ for compacted if no weighbridge	\$43.50 per tonne \$7.50 per m ³ if no weighbridge		
Burdekin	\$20 per m ³ for loose or \$40 per m ³ for compacted for unsorted waste	No charge	\$3 per m ³	Not all transfer stations operated 7 days a week
Other rural council outside capital cities				
Logan City Council	\$40 per tonne or \$18 per m ³	\$12 per load	No charge	
Scenic Rim Regional Council	\$65 per tonne \$40 per m ³ if no weighbridge	\$20 per tonne \$25 per m ³ if no weighbridge		Charge slightly more to dump at a transfer station rather than a landfill
Shire of Campaspe	\$24 per m ³	\$5 per m ³	Free of charge	Charge slightly more to dump at a transfer station rather than a landfill



Appendix B

Site visit photographs and general comments



Appendix B

Howard Springs Site visit photographs and general comments



Photo 1 Site benefits from good clear signage for the site user



Photo 2 Fire break around the site is well maintained



Photo 3 Site benefits from a caretaker and contractor being based in site



Photo 4 Some ponding was noted in the green waste storage areas - hardstand could be increased by council although it is recognised this is difficult to maintain in the a garden waste areas



Photo 5 Steel drums should be removed and stored securely preferably in a bunded area



Photo 6 Battery and pallet storage should be corrected. Batteries should preferably be stored in a bunded and covered area



Photo 7 Visual inspection of Mulch appeared to be of good quality with minimal low contamination



Photo 8 Significant amount of palm fronds observed in the green garden waste pile on the site



Photo 9 Scrap Metals area on the site could benefit with the addition of hardstand to aid the public access



Photo 10 Battery storage and Oil disposal areas should preferably be covered and bunded, Council may wish to consider this for future improvement or upgrade



Photo 11 Council may wish to consider fall protection in front of bins to reduce the risk of falls into the collection containers by contractors or the general public



Photo 12 Bins are retro fitted shipping containers rather than purpose built waste bins. The bins observed, were not coping with the levels of compaction and general handling. Tearing and sharp edges are evident on this container.



Photo 13 Council may wish to consider installing flaps over the gaps between wall and bin to reduce spillage between the wall and the bin

Humpty Doo Site visit photographs and general comments



Photo 1 Site benefits from good clear informative signage to aid the site user



Photo 2 Site benefits from contractor staff being based on site



Photo 3 Battery storage should be corrected. Batteries should preferably be stored in a bunded and covered area



Photo 4 Evidence of illegal waste disposal on land adjacent to the Humpty Doo site. Council should aim to remove waste to discourage more materials from being illegally disposed of in the same location.



Photo 5 Evidence of run off from mulch – this can be potentially difficult to manage and dispose of



Photo 6 Scrap metals not stored on hard standing. Potential safety issues for the public to place materials in to the RORO container. Council may wish to consider a ramp for ease of access for public, or ensure contractor uses machinery to load RORO.



Photo 7 Oil disposal areas should preferably be covered and bunded, Council may wish to consider this for future improvement or upgrade



Photo 8 Bin storage area would benefit from additional concrete sealing and increased drainage and leachate control



Photo 9 Garden waste storage is separate and clearly signed from main disposal areas; material appears relatively clean on the day of the visit



Photo 10 Garden waste area could benefit from hard standing to reduce levels of ponding



Photo 11 Council may wish to consider fall protection in front of bins to reduce the risk of falls into the collection containers by contractors or the general public. The introduction of flaps between bins and the wall will decrease the levels of waste dropping between the wall and the RORO.



Photo 12 RORO Bins used on site are manufactured from shipping containers rather than purpose built waste bins. The bins observed, were not coping with the levels of compaction and general handling. Tearing and sharp edges are evident on this container.



Photo 13 Gas bottles stored on site should be removed



Photo 14 Drainage from transfer bin area to surface water was clearly evident in day of visit. Council may wish to consider improved drainage and leachate catchment on site.



Photo 15 Leachate from bins drains to surface water clearly evident in this photograph. Council may wish to consider improved drainage and leachate catchment on site and the installation of roofing over the bins to deflect rainfall.

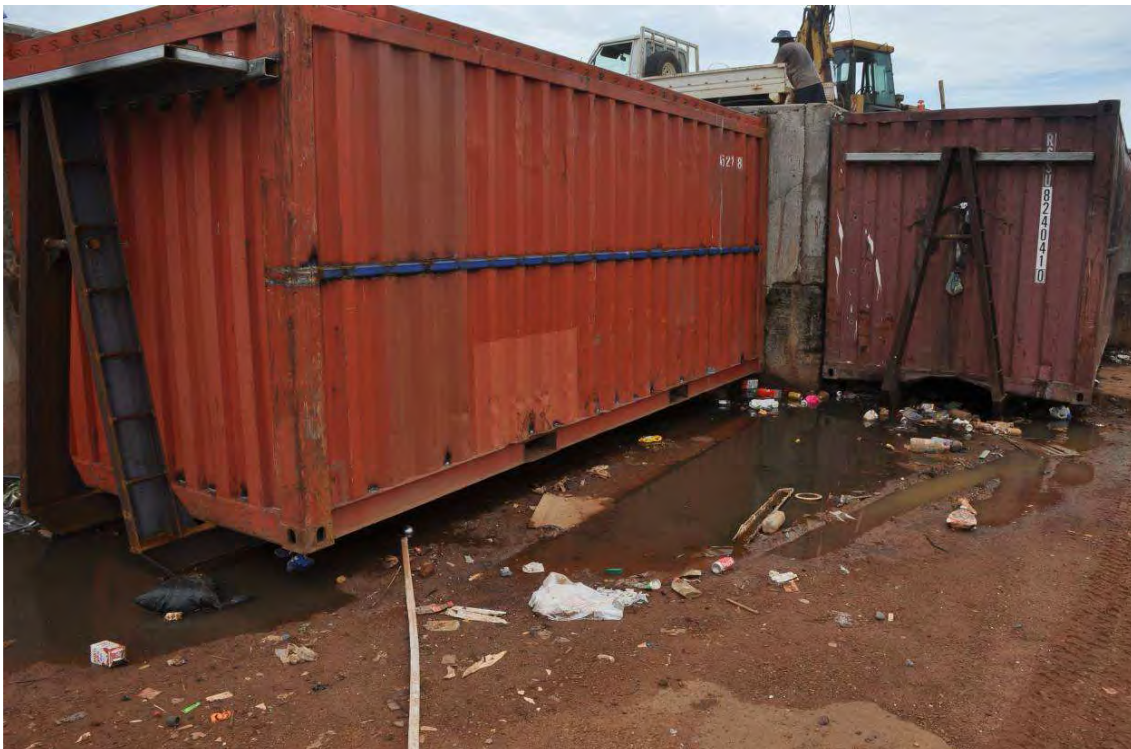


Photo 16 Improved hard standing would reduce the potential for ponding



Photo 17 Internal fencing and delineation on this site could be reviewed and upgraded. Evidence of Gas cylinders being used as delineation should be removed.

Berry Springs Site visit photographs and general comments



Photo 1 Scrap bin is well located on sealed area



Photo 2 Council may wish to consider protection measures to reduce the likelihood of the general public falling into the disposal container



Photo 3 Garden waste storage area would benefit from installation of hard standing to alleviate ponding of water as shown in the picture. Also evidence in this photo of periodic burning of Green Waste.



Photo 4 Site area for Green Waste storage would benefit from a tidy up. Removal of none Green Waste materials will reduce the likelihood of contamination of Green Waste/Mulch



Photo 5 Bin area is presented in very clean and tidy manner



Photo 6 Evidence of Leachate from bins no capture of fluid and it is currently allowed to drain away



Photo 7 Leachate from bins disperses across sealed areas on the site

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Governance and management advice and assistance

ABN 47 196 238 077

Graeme Francis
Director of Works
Litchfield Council
PO Box 446 Humpty Doo NT 0836

4 June 2014

Dear Graeme,

Roadside waste and recycling trial

Background

Council has considered the three options identified in the November 2013 review of Waste and Recycling Services prepared by Impact Environmental.

To further inform its decision, Council has requested that a business analysis be undertaken to identify the feasibility of a roadside waste and recycling Pilot Project.

You have requested that I assist in preparing the business analysis, and you have provided information and parameters to assist in establishing the business model.

In summary, I advise:

Financial modeling indicates that the annual cost for providing a Pilot Project service could be approximately \$92,000, being \$474 per residence.

The Pilot Project may not provide sufficient additional useful information to assist the Council in its decision-making.

Parameters for the business analysis

The business analysis is based on the following parameters:

- The Pilot Project would be conducted in the new residential development at Coolalinga, over one year.

The service to be provided includes:

- supply to residents a domestic waste 240 litre bin, collected weekly;
- supply to residents a recycle materials 360 litre bin, collected fortnightly;
- transfer of the waste to the City of Darwin's Shoal Bay facility.

Two calculations are to be identified:

- the cost that a contractor may be expected to tender, and
- the cost per residence, providing an indication of the levy required by Litchfield Council to recover the cost.

Approach to the preparation of the business analysis

The task requires identifying a likely cost that contractors would tender, if offered the roadside collection work in the Pilot Project area, and if required to transfer the waste to Shoal Bay.

The intended Pilot Project area is limited in size, so a contractor would not be likely to offer a rate which would apply if a large scale collection service was available, and for which fixed costs could be amortized over a larger number of bin collections (lifts).

You have provided a forecast profile of the residences now, or soon to be, established in the proposed Coolalinga area

You have advised that private contractors already now offer an optional waste collection service in the Coolalinga residential area on a fee for service basis. You are aware of a fee of \$6.60 per lift, inclusive of GST, being levied. For that fee, the contractor supplies the bins, and attends to their maintenance. This is a good indicator of the likely fee for bin lifts that would be tendered to Litchfield Council for servicing the pilot area.

You have advised that the current Coolalinga area contractors are not charged gate fees to access the Council's Humpty Doo Waste Transfer Station. The contractors do not collect recycling waste.

You have provided information about the likely waste disposal and recycling charges that would be included in a tender by a contractor to transport the waste to the Shoal bay facilities.

As Litchfield Council would recover the contractor's GST charges, and since Council rates and levies are not subject to GST, this is eliminated from the calculations.

Business Analysis

Based on those forecasts, and the parameters for bin collections and transfer to Shoal Bay, and using the private contractors' rate, excluding GST, of \$6 per lift, the annual cost for providing this service would be \$91,993.

Based on the forecast number of residences, this would entail an additional annual cost per residence of \$474.

The Pilot Project does not reduce services or costs at the three waste transfer stations. This is a fundamental aspect of the advice from Impact Environmental. Rather, the Pilot Project adds costs, and in doing so, would either use ratepayer funds to preference the residents in the Pilot Project location at Coolalinga, or would add additional costs to those residents in addition to their annual waste disposal rates and Transfer Station levy.

The current contractor's charge of \$6.60 for one lift per week equates to an annual cost of \$343.20. Litchfield Council rate payers are also levied a Waste Disposal charge of \$290 per year, which will increase to \$315 in 2014/15, as well as the special Waste Transfer Station levy of \$50, so if they elect to have the contractor remove their waste, their total annual cost would be \$708.20.

A table comparing waste recovery levies and costs shows:

Coolalinga residents – waste disposal costs per year with current contractor collection arrangements	\$708.20
Coolalinga residents - waste disposal charges if the Pilot project was adopted	\$839 ¹
City of Darwin waste collection annual levy	\$256
City of Palmerston waste collection annual levy	\$420

This costing is only for bin lifts and for transfers to Shoal Bay. Additional costs identified by the Impact Environmental report included community education on how to use the waste and recycling options, and administrative costs in preparing and managing the contract for services with the waste collection provider.

¹ \$474+\$315+\$50

There are too few properties involved in the Pilot Project area to be able to identify the cost per lift that would apply over a larger volume of bin lifts. For the 11,000 properties serviced by the City of Palmerston, your information is this is costing that Council \$1.68 per lift for Waste and Recycle collection, including recycle processing. There are then additional costs to that Council for the disposal of the waste at Shoal Bay.

Advice from Impact Environmental report was to expect costs in the range of \$2 to \$3 per lift² for a whole of Council area contract. Waste disposal fees would also then need to be added.

Costs for community education should also be expected to be higher per resident when so few residents are included, since the costs in developing the education resources will be similar for a pilot area or the whole of Council area.

Contract establishment and management costs should also be expected to be higher when amortised over a limited s number of properties.

So this Pilot Project may not provide sufficient additional useful information to assist the Council in determining which, if any, of the three options outlined by Impact Environmental to implement.

The November 2013 report of Impact Environmental appears to be a comprehensive analysis of the Council's options. It is based on data drawn from their experience in this field.

In particular, it provides a useful risk analysis³ which, through the information provided in the "Control Measures" columns, can be used to develop a project management plan for the introduction of a waste and recycling service across the Council area.

As outlined above, my advice has been based on my analysis of information that you have provided. I attach the spreadsheet that was used for the calculations in the business analysis. I am happy to discuss my comments further with you.

Yours sincerely,



² Impact Environmental draft Review of Waste and Recycling Services November 2013 page 8

³ Impact Environmental draft Review of Waste and Recycling Services November 2013 pages 19-22

PRE-TENDER ESTIMATE

Waste Management & Disposal Services

On behalf of the



Report prepared by

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Version 1.7 (05-Dec-14)

Strictly Private and Confidential

For the exclusive use of the Litchfield Council

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ABBREVIATIONS

ATO: Australian Tax Office

Capex: Capital Expenditure

CDL: Container Deposit Legislation

CPI: Consumer Price Index

EBIT: Earnings Before Interest & Tax

EBITDA: Earnings Before Interest, Tax, Depreciation & Amortisation

FTE: Full Time Equivalent

GPS: Global Positioning System

GST: Goods & Service Tax

I.R.R.: Internal Rate of Return

POSA: Profit on Sale of Asset

LNG: Liquefied Natural Gas

MGB: Mobile Garbage Bin

MLO: Most Likely Offer

MRF: Material Recovery Facility

MUD: Multi Unit Dwelling

NFE: Net Funds Employed

NPV: Net Present Value

NT: Northern Territory

OHS&E: Occupation Health, Safety & Environment

POSA: Profit on Sale of Asset

RAMS: Route Automation Management System

RFQ: Request for Quotation

R.O.C.I.: Return on Capital Invested

R.O.S.: Return on Sales

SA: South Australia

UV: Ultra Violet

VRP: Visual Rams Pro

SECTION 1: EXECUTIVE SUMMARY

Litchfield Municipality is situated on the outskirts of Darwin amid tropical rural bushland, boasting a rural lifestyle with a wide range of well managed services and facilities available to its residents and visitors. Spread over 3,100sqkm, Litchfield is rapidly growing offering larger land parcels for families and is currently home to around 21,000 people with 7,800 rateable properties.

The Litchfield Council are keen to provide an upgraded waste management service to its resident for the following reasons:

- Improved waste diversion in line with the Territory Waste Strategy target to reduce waste to landfill by 50% by the year 2020;
- To support the Litchfield Councils Strategic Plan 2013-16 to develop and implement a cost effective, safe and integrated approach to waste management;
- To support the community's desire for increased recycling and rubbish collection which rated as high priorities from the community survey conducted in 2012; and
- Approval by the NT Government on any future land development will be contingent on Council providing a garbage and recycling collection service to its resident as a minimum.

Following an internal investigation and a review of the waste and recycling services by Impact Environmental the Litchfield Council has requested a pre-tender estimate of the following kerbside collection services:

- Weekly garbage collection service utilising a 240Lt mobile garbage bin (MGB); and
- Fortnightly co-mingled recycling collection service utilising a 240Lt MGB.

The Council has also requested an indicative non-binding cost estimate from an external contractor and is keen to ensure the total waste management cost does not exceed the current cost of \$288 per annum per rateable property.

Four alternative service offerings were identified as set out below:

1. Most Likely Offer (MLO): In-house service with 6x4 Iveco cab chassis and 35m³ Bucher (formerly MacDonald Johnston) compaction bodies;
2. Alternative Offer 1: Same as MLO with 4x2 cab chassis instead of 6x4;
3. Alternative Offer 2: Same as MLO with 360lt recycling MGB instead of a 240Lt MGB;
4. Alternative Offer 3: Same as MLO with simulated contractor pricing instead of an in-house service.

The MLO was the preferred offer being the best value proposition when taking into consideration the total service cost and associated risks.

Offer	Year 1 Annual Cost	Year 1 Cost per Property	Total Project Cost	Project Annual Cost per Property
Most Likely Offer	\$1,763,027	\$219.62	\$9,820,266	\$221.39
Alternative Offer 1	\$1,837,878	\$228.95	\$10,594,175	\$238.84
Alternative Offer 2	\$1,770,190	\$220.52	\$9,841,740	\$221.88
Alternative Offer 3	\$2,016,774	\$251.23	\$11,778,094	\$338.93

The annual cost of the MLO is \$1,763,027 in year 1 which equates to a cost of \$219.62 per annum for each property based on 8,028 rateable properties. The total capital expenditure of \$2,063,668 in year 1 includes 2 garbage vehicles and 1 recycling vehicle. The total cost to provide the service over the 5 year term is \$9,820,266. The total cost of capital over the project term is \$2,294,461 which includes additional MGBs to support the service growth, which is estimated at 5% per annum, and the replacement of damaged MGBs. The financial summary for the MLO is set out below based on its total cost recovery including depreciation.

Financial Summary - Litchfield Council - Pre-tender estimate - waste management & disposal services						AUD\$'000
Total	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Revenue		1,763	1,830	1,917	2,103	2,207
Revenue Growth			3.8%	4.7%	9.7%	5.0%
Disposal Fees		454	483	512	587	620
Labour		392	420	442	492	522
Fixed Vehicle Costs		11	12	12	12	13
Repairs & Maintenance		133	140	148	162	171
Tyres		31	32	34	37	39
Fuel		145	154	163	181	192
Other direct costs		156	137	144	159	168
Total Direct Costs		1,322	1,378	1,455	1,631	1,725
Gross Margin		441	453	462	472	482
Gross Margin %		25.0%	24.7%	24.1%	22.4%	21.8%
Overheads		162	166	171	177	182
Sundry Income		0	0	0	0	0
Loss/(Gain) on disposal of fixed assets		0	0	0	0	0
EBITDA		279	286	290	295	300
EBITDA %		15.8%	15.6%	15.2%	14.0%	13.6%
Depreciation		279	286	290	295	300
EBIT		0	0	0	0	(0)
EBIT %		0.0%	0.0%	0.0%	0.0%	0.0%
NFE	2,064	1,966	1,654	1,428	1,221	955
Average Capital Invested	0	1,993	1,806	1,571	1,334	1,096
R.O.C.I.(EBITA / Ave. Capital Invested)	0	-4.1%	-1.0%	2.3%	0.1%	5.6%
CAPEX	2,064	27	45	49	53	57
FREE CASH FLOW (excluding residual)	(2,064)	98	249	288	268	999

It is also recognised that many of the larger rural properties have more than one occupied dwelling even though the Litchfield Council is only charging the owner a single property rate. In these instances where the ratepayer requires an additional kerbside collection service for an occupied dwelling it will be supplied by the council at a cost to the ratepayer equivalent to the full cost recovery rate for that service. The user pays MGBs have been excluded from the financial analysis as the net impact of the additional service is of nil cost.

The annual cost of Alternative Offer 3, the simulated contracted price estimate, is \$2,016,774 in year 1 which equates to a cost of \$251.23 per annum for each property based on 8,028 rateable properties. The total cost to provide the service over the 5 year term is \$11,778,094 compared to the MLO with \$9,820,266 representing an average cost increase each year of around \$391,566. The financial summary for Alternative Offer 3 is based on the minimum financial hurdles required by a contractor for a project with a similar profile.

SECTION 2: BACKGROUND

1. Litchfield Municipality

Litchfield Municipality is situated on the outskirts of Darwin amid tropical rural bushland, boasting a rural lifestyle with a wide range of well managed services and facilities available to its residents and visitors. It is situated 25km (Litchfield Council Offices) from Darwin and 100km from Litchfield National Park. Set amid tropical rural bushland.

The Municipality is bounded by the Adelaide River to the East, Van Diemen Gulf to the North, Coomalie Shire to the South and the City of Darwin and Palmerston to the Northwest. Both the Stuart and Arnhem Highways run through the region offering easy access to Darwin, Litchfield National Park, Katherine, Kakadu and Jabiru.

Spread over 3,100sqkm, Litchfield is rapidly growing offering larger land parcels for families and is currently home to around 21,000 people with 7,800 rateable properties. Litchfield residents enjoy a rural lifestyle which combines a mix of rural residential, horticultural, agricultural and industrial interests within its boundaries. Its properties vary from high density multi-unit dwellings to large rural sites ranging from 1 hectare to 20 hectares in size.

The climate is best described with two seasons, Dry and Wet, with year round maximum temperature of 30° to 35°C and minimums between 17° and 26°C. The Dry season runs from May to September with very little rain, and humidity averages around 30%. The Wet season, October to April, brings lush tropical storms highlighted with spectacular cloud formations and lightening. The monsoon rains increase the humidity levels with averages over 70%.

The topography is generally flat with 600km of sealed roads allowing all year round access and approximately 150km of gravel roads with some them being unpassable on occasions during the wet season.

Current developments within the Litchfield Municipality include:

- \$85 million Abattoir at Livingstone;
- Coolalinga Shopping Complex;
- New Prison at Holtz;
- Ichthys LNG Project including Accommodation Village 'Manigurr-ma' at Howard Springs and gas processing plant at Bladin Point; and a
- New \$150 million Hospital planned for Holtze

2. Current Waste Management Services

Litchfield Council provides waste management and recycling services to ratepayers, residents and commercial users through its three Waste Transfer Stations.

- **Humpty Doo** is open 7 days a week from 7.00am to 6.00pm. This facility accepts commercial waste and waste generated by Litchfield municipality residents;
- **Howard Springs** is open 7 days a week from 7.00am to 6.00pm. This facility does not accept commercial waste and services Litchfield municipality residents only; and
- **Berry Springs** is open 7 days a week from 7.00am to 6.00pm. This facility does not accept commercial waste and services Litchfield municipality residents only.

The Waste Transfer Stations offer recycling bins and large waste bins and at Humpty Doo a large pit. Each recycling bin is labelled with the recycling material it requires and separating materials at home by residents is encouraged to help the sort process at the Waste Transfer Station. Items which cannot be recycled go into the large bins/pit. The recycling bins are currently managed through a contractor who transports the material to be recycled. After compacting, the 'pit' rubbish is transported to the Shoal Bay Landfill site. Litchfield Council staff operate the gate at the transfer stations but do not sort rubbish, all rubbish placed in the pits or waste bins will be sent to landfill.

Litchfield Council have contracted Veolia to provide equipment and transport services for waste and recyclables. The residual waste is disposed of at the Shoal Bay Waste Management facility owned and operated by the City of Darwin and the recyclables are taken to the Transpacific Cleanaway materials recycling facility (MRF) located at Holtze. The contract with Veolia expires in December 2016 with extension option of one to two years.

Litchfield municipality residents are not offered a kerbside collection service and must take their waste to one of the transfer station where they may dispose of it free of charge. Assuming around 7,800 rateable properties the average cost of waste management is around \$288 per annum per property based on the 2014/15 budget.

Many resident are currently paying contractors around \$6.50 per service to provide a kerbside MGB garbage collection service. The contractor disposes of the waste from the MGBs free of charge at the Litchfield Council transfer stations.

3. Proposed Waste Management Services

The Litchfield Council are keen to provide an upgraded waste management service to its resident for the following reasons:

- Improved waste diversion in line with the Territory Waste Strategy target to reduce waste to landfill by 50% by the year 2020;
- To support the Litchfield Councils Strategic Plan 2013-16 to develop and implement a cost effective, safe and integrated approach to waste management;
- To support the community's desire for increased recycling and rubbish collection which rated as high priorities from the community survey conducted in 2012; and
- Approval by the NT Government on any future land development will be contingent on Council providing a garbage and recycling collection service to its resident as a minimum.

Following an internal investigation and a review of the waste and recycling services by Impact Environmental the Litchfield Council has requested a pre-tender estimate of the following kerbside collection services:

- Weekly garbage collection service utilising a 240Lt mobile garbage bin (MGB); and
- Fortnightly co-mingled recycling collection service utilising a 240Lt MGB.

The pre-tender estimate is based on an in-house service with Council providing all of the facilities, capital requirements, disposal / processing costs and labour required to support this service.

The Litchfield Council has also requested an indicative non-binding cost estimate based on the services being provided by an external contractor. One major objective of the Litchfield Council is that the net cost of providing its waste management services after the introduction of the kerbside collection service does not exceed the current cost of around \$288 per annum per rateable property.

SECTION 3: SCOPE OF WORKS & METHODOLOGY

As stated the Litchfield Council is keen to provide kerbside collection services based on a weekly garbage collection and a fortnightly co-mingled recycling collection to its residents. The scope of services includes the following:

- Capital required to support the services including cab chassis, compaction bodies, MGBs and other support assets;
- Labour required to operate the collection vehicles;
- Disposal fees at the Shoal Bay Waste Management facility;
- Recyclables processing fees at the Transpacific Cleanaway MRF located at Holtze; and
- Cost of establishing bin banks.

There is currently an estimated 7,800 rateable properties in the Litchfield Council region and assuming a participation rate of 86% (excluding commercial properties which will not be offered the service) this equates to 6,708 service entitled properties. After allowing for an estimated service growth of 5% per annum there will be approximately 6,904 service entitled properties in Jul-15 when the service commences. This is set out in detail in the table below.

Description	Nov-14	Prestart Service Growth	Jul-15
Total Rateable Properties	7,800	228	8,028
Participation Rate (Excludes Commercial Properties)	86%	86%	86%
Service Entitled Properties	6,708	196	6,904

It is also recognised that many of the larger rural properties have more than one occupied dwelling even though the Litchfield Council is only charging the owner a single property rate. In these instances where the ratepayer requires an additional kerbside collection service for an occupied dwelling it will be supplied by the council at a cost to the ratepayer equivalent to the full cost recovery rate for that service. The user pays MGBs have been excluded from the financial analysis as the net impact of the additional service is of nil cost.

The service will cover around 600km of sealed and 150km of unsealed roads except where access cannot be achieved by the collection vehicles. In these cases bin banks will be provided for residents to use. In some cases residents may need to relocate their bin during the wet season when the roads are inaccessible.

It has been assumed that the equipment and labour for these services will be located at the Humpty Doo transfer station and will be managed by the existing Waste Manager.

Excluded from this pre-tender estimate are the following;

- Any capital required to establish a depot and workshop facility;
- Truck washing facility; and
- Site facility costs such as rent, power, water usage, etc.

Following a comprehensive review of the region four alternative service offers were identified as set out in the table below based on a 5 year term:

Offer	Description
1: Most Likely Offer (MLO)	<ul style="list-style-type: none"> • In-house service • 6x4 cab chassis configuration • Weekly garbage collection service utilising a 240Lt MGB • Fortnightly recycling collection utilising a 240Lt MGB
2: Alternative Offer 1	<ul style="list-style-type: none"> • In-house service • 4x2 cab chassis configuration • Weekly garbage collection service utilising a 240Lt MGB • Fortnightly recycling collection utilising a 240Lt MGB
3: Alternative Offer 2	<ul style="list-style-type: none"> • In-house service • 6x4 cab chassis configuration • Weekly garbage collection service utilising a 240Lt MGB • Fortnightly recycling collection utilising a 360Lt MGB
4: Alternative Offer 3	<ul style="list-style-type: none"> • External contractor service • 6x4 cab chassis configuration • Weekly garbage collection service utilising a 240Lt MGB • Fortnightly recycling collection utilising a 240Lt MGB

1. Most Likely Offer

The most likely offer utilises 6x4 configuration cab chassis which provide greater stability and traction on unsealed surfaces than 4x2 cab chassis and much greater payloads. Whilst they are slightly more expensive to purchase and operate the increased payload ensures the overall service cost is lower than the 4x2 option. This is particularly relevant when the time taken to travel to the disposal / processing facilities averages around one hour. The payloads for the proposed 35m³ compaction bodies is 9.52 tonnes for garbage and 6.30 tonnes for recyclables (assuming 180kg/m³ compaction) and provides the optimal combination to minimise the trips to the disposal / processing facilities. Air bag weighing will be fitted to all vehicles to ensure overloading does not occur.

The kerbside collection service is based on a weekly garbage collection service utilising a 240Lt MGB and fortnightly recycling collection utilising a 240Lt MGB.

The annual cost of the MLO is \$1,763,027 in year 1 which equates to a cost of \$219.62 per annum for each property based on 8,028 rateable properties. The total capital expenditure of \$2,063,668 in year 1 includes 2 garbage vehicles and 1 recycling vehicle. The total cost to provide the service over the 5 year term is \$9,820,266. The financial summary for the MLO is set out below based on its total cost recovery including depreciation.

Financial Summary - Litchfield Council - Pre-tender estimate - waste management & disposal services						AUD\$'000
Total	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Revenue		1,763	1,830	1,917	2,103	2,207
Revenue Growth			3.8%	4.7%	9.7%	5.0%
Disposal Fees		454	483	512	587	620
Labour		392	420	442	492	522
Fixed Vehicle Costs		11	12	12	12	13
Repairs & Maintenance		133	140	148	162	171
Tyres		31	32	34	37	39
Fuel		145	154	163	181	192
Other direct costs		156	137	144	159	168
Total Direct Costs		1,322	1,378	1,455	1,631	1,725
Gross Margin		441	453	462	472	482
Gross Margin %		25.0%	24.7%	24.1%	22.4%	21.8%
Overheads		162	166	171	177	182
Sundry Income		0	0	0	0	0
Loss/(Gain) on disposal of fixed assets		0	0	0	0	0
EBITDA		279	286	290	295	300
EBITDA %		15.8%	15.6%	15.2%	14.0%	13.6%
Depreciation		279	286	290	295	300
EBIT		0	0	0	0	(0)
EBIT %		0.0%	0.0%	0.0%	0.0%	0.0%
NFE	2,064	1,966	1,654	1,428	1,221	955
Average Capital Invested	0	1,993	1,806	1,571	1,334	1,096
R.O.C.I.(EBITA / Ave. Capital Invested)	0	-4.1%	-1.0%	2.3%	0.1%	5.6%
CAPEX	2,064	27	45	49	53	57
FREE CASH FLOW (excluding residual)	(2,064)	98	249	288	268	999

2. Alternative Offer 1: 4x2 Cab Chassis

Alternative Offer 1 is the same as the MLO except that it utilises 4x2 configuration cab chassis rather than 6x4. As stated 4x2 cab chassis are less stable with poorer traction than 6x4 cab chassis and are best suited to high density areas with narrow streets and the disposal / processing facilities located nearby. The payloads for the proposed 22m³ compaction bodies is 4.30 tonnes for garbage and 3.96 tonnes for recyclables (assuming 180kg/m³ compaction) and provides the optimal combination to minimise trips to the disposal / processing facilities. This represents a reduction in payload of 5.22tonnes and 2.34 tonnes for garbage and recycling loads respectively.

The annual cost of Alternative Offer 1 is \$1,837,878 in year 1 which equates to a cost of \$228.95 per annum for each property based on 8,028 rateable properties. The total capital expenditure of \$1,951,908 in year 1 includes 2 garbage vehicles and 1 recycling vehicle. The total cost to provide the service over the 5 year term is \$10,594,175 compared to the MLO with \$9,820,266 representing an average cost increase each year of around \$154,782. The total project capital of \$2,997,113 exceeds the MLO capital of \$2,294,461 by \$702,652. This increase is due to an additional vehicle being required in both the garbage and recycling service in year 5 to accommodate the service growth due to the smaller payloads of the 4x2 cab chassis. The financial summary for Alternative Offer 1 is set out below based on its total cost recovery including depreciation.

Financial Summary - Litchfield Council - Pre-tender estimate - waste management & disposal services						AUD\$'000
Total	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Revenue		1,838	1,908	1,997	2,140	2,712
Revenue Growth			3.8%	4.7%	7.2%	26.7%
Disposal Fees		454	483	512	587	620
Labour		467	498	523	554	783
Fixed Vehicle Costs		10	11	11	11	16
Repairs & Maintenance		154	161	169	178	233
Tyres		29	31	32	34	44
Fuel		144	152	160	170	228
Other direct costs		156	137	144	151	201
Total Direct Costs		1,414	1,471	1,551	1,685	2,125
Gross Margin		424	436	445	455	587
Gross Margin %		23.1%	22.9%	22.3%	21.3%	21.6%
Overheads		162	166	171	177	303
Sundry Income		0	0	0	0	0
Loss/(Gain) on disposal of fixed assets		0	0	0	0	0
EBITDA		263	270	274	279	284
EBITDA %		14.3%	14.1%	13.7%	13.0%	10.5%
Depreciation		263	270	274	279	284
EBIT		0	0	0	0	0
EBIT %		0.0%	0.0%	0.0%	0.0%	0.0%
NFE	1,952	1,865	1,590	1,382	1,182	1,865
Average Capital Invested	0	1,895	1,730	1,513	1,295	1,463
R.O.C.I.(EBITA / Ave. Capital Invested)	0	-1.3%	2.8%	7.3%	10.1%	-18.1%
CAPEX	1,952	27	45	49	53	872
FREE CASH FLOW (excluding residual)	(1,952)	108	275	320	337	763

3. Alternative 2: 360Lt Recycling MGB

Alternative Offer 2 is the same as the MLO except that it utilises a 360Lt MGB to service the fortnightly recycling kerbside collection rather than the 240Lt MGB. The premise is that by offering a larger bin residents they are likely to present the bin less often due to its increased capacity. The assumption in the financial analysis is that MGB presentation will be reduced by 30% and that the total weight of the recyclables will remain unchanged.

The risk with this service is that the reduced presentation may not in fact eventuate and furthermore the total volume of the recyclables may increase due to the increased capacity of the MGB. There is also some concern that there could be issues with the lifting arm requiring adjustment to service the 240Lt MGB as well. This is of concern as all of the vehicles, including the spare, should be interchangeable and able to service both garbage and recycling MGBs.

The annual cost of Alternative Offer 2 is \$1,770,190 in year 1 which equates to a cost \$220.52 per annum for each property based on 8,028 rateable properties. The total capital expenditure of \$2,354,124 in year 1 exceeds the MLO by \$290,456 due to the higher cost of the 360Lt MGB compared to the 240Lt. The total cost to provide the service over the 5 year term is \$9,841,740 compared to the MLO with \$9,820,266 representing an average cost increase each year of around \$4,295. Alternative Offer 2 is marginally higher in cost and also exposed to the risk associated with the potential for an increased volume of recyclables and not achieving the expected reduction in MGB presentation rate. The financial summary for Alternative Offer 2 is set out below based on its total cost recovery including depreciation.

Financial Summary - Litchfield Council - Pre-tender estimate - waste management & disposal services						AUD\$'000
Total	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Revenue		1,770	1,836	1,920	2,106	2,209
Revenue Growth			3.7%	4.6%	9.7%	4.9%
Disposal Fees		454	483	512	587	620
Labour		381	406	425	472	500
Fixed Vehicle Costs		11	12	12	12	13
Repairs & Maintenance		129	136	143	157	165
Tyres		30	31	32	36	37
Fuel		139	147	156	174	184
Other direct costs		156	137	144	159	168
Total Direct Costs		1,300	1,351	1,424	1,597	1,688
Gross Margin		470	485	496	509	522
Gross Margin %		26.5%	26.4%	25.8%	24.1%	23.6%
Overheads		162	166	171	177	182
Sundry Income		0	0	0	0	0
Loss/(Gain) on disposal of fixed assets		0	0	0	0	0
EBITDA		308	318	325	332	340
EBITDA %		17.4%	17.3%	16.9%	15.8%	15.4%
Depreciation		308	318	325	332	340
EBIT		0	0	0	0	0
EBIT %		0.0%	0.0%	0.0%	0.0%	0.0%
NFE	2,354	2,244	1,920	1,684	1,467	1,191
Average Capital Invested	0	2,277	2,078	1,833	1,586	1,338
R.O.C.I.(EBITA / Ave. Capital Invested)	0	-3.7%	-0.9%	2.0%	0.2%	4.8%
CAPEX	2,354	40	68	73	79	86
FREE CASH FLOW (excluding residual)	(2,354)	114	261	302	285	1,228

4. Alternative 3: Contracted Simulated Pricing

Alternative Offer 3 is the same as the MLO except that it has been costed simulating the financial returns and cost structure required of an external contractor. The major difference to the MLO is that operation support costs are higher as they include an allowance for depot costs and regional cost allocations, overheads include a regional and corporate cost allocation and an element of profit as minimum financial hurdles must be met. The only cost benefit from the simulated contractor offer is in labour costs which are 27% lower than the Litchfield Council enterprise agreement.

The annual cost of Alternative Offer 3 is \$2,016,774 in year 1 which equates to a cost \$251.23 per annum for each property based on 8,028 rateable properties. The total cost to provide the service over the 5 year term is \$11,778,094 compared to the MLO with \$9,820,266 representing an average cost increase each year of around \$391,566. The financial summary for Alternative Offer 3 is based on the minimum financial hurdles required by a contractor for a project with this risk profile.

Financial Summary - Litchfield Council - Pre-tender estimate - waste management & disposal services						AUD\$'000
Total	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Revenue		2,017	2,174	2,342	2,524	2,721
Revenue Growth			7.8%	7.8%	7.8%	7.8%
Disposal Fees		454	483	512	587	620
Labour		274	292	310	352	375
Fixed Vehicle Costs		11	12	12	12	13
Repairs & Maintenance		133	140	148	162	171
Tyres		31	32	34	37	39
Fuel		145	154	163	181	192
Other direct costs		229	220	238	259	281
Total Direct Costs		1,278	1,332	1,417	1,591	1,691
Gross Margin		739	841	926	933	1,030
Gross Margin %		36.6%	38.7%	39.5%	37.0%	37.8%
Overheads		202	217	234	252	272
Sundry Income		0	0	0	0	0
Loss/(Gain) on disposal of fixed assets		0	0	0	0	0
EBITDA		537	624	691	681	758
EBITDA %		26.6%	28.7%	29.5%	27.0%	27.8%
Depreciation		347	356	364	373	383
EBIT		191	268	327	308	374
EBIT %		9.4%	12.3%	14.0%	12.2%	13.8%
less 50/50 interest adjustment		62	55	46	37	27
less income tax		39	64	84	81	104
PAT		90	149	197	189	243
PAT %		4.5%	6.9%	8.4%	7.5%	8.9%
NFE	2,064	1,879	1,605	1,314	1,032	693
Average Capital Invested		1,991	1,768	1,467	1,159	847
R.O.C.I.(EBITA / Ave. Capital Invested)		9.6%	15.2%	22.3%	26.5%	44.2%
CAPEX	2,064	27	45	49	53	57
FREE CASH FLOW (excluding residual)	(2,064)	280	493	538	532	1,010
Gross Margin %		19.4%	22.3%	24.0%	22.2%	23.8%
EBIT %		9.4%	12.3%	14.0%	12.2%	13.8%
EBITA %		26.6%	28.7%	29.5%	27.0%	27.8%
Overheads %		10.0%	10.0%	10.0%	10.0%	10.0%
Project ROS%	12.5%					
R.O.C.I. - Year 4	26.5%					
R.O.S. (E.B.I.T.) - Project Life	12.5%					
I.R.R. excluding residual	9.9%					
NPV @ 12.0%	126					
I.R.R. including residual	12.0%					

SECTION 4: MOST LIKELY OPTION

The MLO has been adopted as the recommended option for the Litchfield Council as it the most commercially viable and risk averse of the four alternative offers identified as being appropriate for kerbside collection and disposal services for this municipality. This section sets out the critical features associated with this offer.

1. Equipment Selection

Supplier's quotations were obtained from 3 cab chassis manufacturers, 2 compaction body manufacturers and 2 MGB manufacturers as set out in the table below all suppliers have significant experience in providing equipment for domestic waste collection services. The capital selection used in the financial analysis of the MLO is highlighted in the blue cells in the table below.

Capital Suppliers Cost Comparison - Litchfield Council - Pre-tender estimate - waste management & disposal services									AUD\$
Description	Cab Chassis			Compaction Body		MGB's			
	Iveco	Dennis Eagle	Isuzu	Bucher	Superior Pak	Mastec		Sulo	
Asset Description	5.50m wheelbase	5.35m wheelbase	5.50m wheelbase	35m ³ capacity	33m ³ capacity	240Lt Garbage	240Lt Recycling	240Lt Garbage	240Lt Recycling
Unit Cost	168,705	177,000	172,950	195,344	182,081	45.00	45.00	46.50	46.50
Stamp Duty	5,567	5,841	5,707	6,446	6,009				
2-Way radio allowance	1,136	1,136	1,136						
Bull bar & driving lights	5,500	5,500	5,500						
Compactor body graphics (Council logo + dirt girl)	2,500	2,500	2,500						
Assembly & distribution csots						10.76	10.76	3.90	3.90
Education pack									
Subtotal	183,408	191,977	187,793	201,790	188,090	55.76	55.76	50.40	50.40
Superior Pak additional costs									
Dennis Eagle - Subframe - 23m3 body & above			2,365						
IQAN Control System Interface Kit			2,500						
Total Cab Chassis cost if fitted with a Superior Pak Body	183,408	191,977	192,658						
Bucher additional costs									
Chassis mounting cost - Additional Isuzu			1,500						
Chassis mounting cost - Additional Dennis Eagle		3,000							
Total Cab Chassis cost if fitted with a Bucher Body	183,408	194,977	194,158						
Quantity	3	3	3	3	3	6,904	6,904	6,904	6,904
Total Cost (Superior Pak body)	550,224	575,930	577,974	605,371	564,269	384,967	384,967	347,962	347,962
Total Cost (Bucher Body)	550,224	584,930	582,474	605,371	564,269	384,967	384,967	347,962	347,962

The Iveco cab chassis was chosen as it is robust, well suited to the application, cost effective, has a reputable local service provider for repairs and maintenance and the manufacturer is willing to offer contract maintenance for these units. The Dennis Eagle cab chassis should also be considered as it is a low entry vehicle which provides a significant advantage when the driver is required to exit the cabin to empty bins at MUD's and bin banks. The additional capital cost of \$34,706k may well be justified when considering the reduced OHS&E risk of the regular entry and exit required to manually empty these bins. Whilst Dennis Eagle will not currently provide contract maintenance their agents, Vanderfield Pty Ltd, do provide a complete service and maintenance program for these vehicles and have a strong reputation for providing good service. The Isuzu is the most expensive option and require additional costs to fit the Superior Pak body or the Bucher body which is not required by an Iveco. Whilst these cab chassis are well suited to the application there is no compelling argument to select these over the Iveco or Dennis Eagle. Isuzu will not currently offer contract maintenance in the Northern Territory.

The Bucher compaction body of 35m³ was chosen as it is the largest body being offered and will minimise the trips to the disposal / recycling facility. This will allow a payload of 6.30 tonnes of recyclables (based on a maximum compaction rate of 180kgs/kg) compared to the 33m³ Superior Pak body with 5.9 tonnes. The legal payload of the Bucher body, which is relevant to garbage collection, is 9.52tonnes compared to the Superior Pak 33m³ body with 9.95tonnes. Both the Bucher and Superior Pak bodies are quality products well suited to the application.

Sulo was selected as the preferred MGB supplier based primarily on price. The Sulo price is based on MGBs manufactured from 100% virgin product which have a 10 year warranty against UV light degradation. MGBs manufactured from virgin plastic have a longer life expectancy than those containing recycled product. Whilst the Sulo unit cost per MGB was higher than the Mastec price once delivery and assembly is taken in consideration the Sulo quote represents a \$74,010 saving compared to the Mastec quote. The MLO assumes the Litchfield Council will write the initial MGBs off over a 10 year period.

2. Equipment Summary

The table below sets out the average utilisation of the proposed equipment. The optimal operating hours for frontline vehicles is around 10 hours per day which provides an efficient mix between capital and labour utilisation. A maximum of 12 operating hours a day exists before it becomes commercially viable to introduce an additional vehicle. At this time the overtime penalty exceeds the costs of capital and fatigue may become a significant OHS&E risk. In year 5 an additional vehicle is required to meet the growth demands in both the garbage and recycling service.

Equipment Utilisation - Litchfield Council - Pre-tender estimate - waste management & disposal services								Hours
Description	Service	Quantity	Year Acquired	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Iveco 6x4 - Euro 5 Dual Control 5.5m wheelbase	Garbage	1.0	0	2,182	2,225	2,269	2,316	2,366
Compaction Body Bucher - 35m ³ - 6x4	Garbage	1.0	0	2,182	2,225	2,269	2,316	2,366
Iveco 6x4 - Euro 5 Dual Control 5.5m wheelbase	Garbage	1.0	0	2,182	2,225	2,269	2,316	2,366
Compaction Body Bucher - 35m ³ - 6x4	Garbage	1.0	0	2,182	2,225	2,269	2,316	2,366
Iveco 6x4 - Euro 5 Dual Control 5.5m wheelbase	Garbage	-	5	-	-	-	-	-
Compaction Body Bucher - 35m ³ - 6x4	Garbage	-	5	-	-	-	-	-
Iveco 6x4 - Euro 5 Dual Control 5.5m wheelbase	Recycling	1.0	0	2,075	2,122	2,167	2,577	2,627
Compaction Body Bucher - 35m ³ - 6x4	Recycling	1.0	0	2,075	2,122	2,167	2,577	2,627
Iveco 6x4 - Euro 5 Dual Control 5.5m wheelbase	Recycling	-	5	-	-	-	-	-
Compaction Body Bucher - 35m ³ - 6x4	Recycling	-	5	-	-	-	-	-
Spare Vehicle - cab chassis	Garbage	0.7	0	86	88	89	96	98
Spare Vehicle - compaction body	Garbage	0.7	0	86	88	89	96	98
Spare Vehicle - cab chassis	Recycling	0.3	0	43	44	45	48	49
Spare Vehicle - compaction body	Recycling	0.3	0	43	44	45	48	49
HiLux 4x4 SR5 Double Cab	Garbage	1.0	0	1,200	1,200	1,200	1,200	1,200
Tandem Trailer	Garbage	1.0	0	800	800	800	800	800
Total - Cab Chassis	0			6,568	6,704	6,839	7,354	7,505
Total - Compaction Body	0			6,568	6,704	6,839	7,354	7,505
Total - Ancillary	0			2,000	2,000	2,000	2,000	2,000
Total Frontline Vehicles				3	3	3	3	3
Average Frontline Vehicle Hours per Day				8.42	8.59	8.77	9.43	9.62

The hours allocated to the spare vehicle are required to support the routine maintenance of the frontline vehicles and also to cover for any other down time that may occur. This unit may also be used to accommodate some the additional service growth collections as the frontline vehicle approach the maximum operating hour prior to a new vehicle being introduced. It should be noted that the single spare vehicle has been shared between the garbage (77%) and recycling service (33%).

3. Labour Summary

The table below sets out the labour requirements in year 1 to support the kerbside collection service in accordance with the Litchfield Council Enterprise Agreement 2014.

Labour Summary Year1 - Litchfield Council - Pre-tender estimate - waste management & disposal services										
Total	EA Category	Total Employees	Base Rate per Hr	Total Hrs per Week	Ord Hrs per Week	O/T Hrs per Week	Ord \$	O/T \$	On-Costs	Total Cost
Driver - Garbage	Level 4: Step 4	2.0	\$37.152	42.6	38.0	4.6	\$147,327	\$35,747	\$81,055	\$264,129
Driver - Recycling	Level 4: Step 4	1.0	\$37.152	41.4	38.0	3.4	\$73,664	\$14,239	\$40,036	\$127,938
Customer Service	Level 7: Step 1	0.2	\$43.069	7.6	7.6			\$17,233	\$5,170	\$22,403
Waste Manager	Level 7: Step 1	0.3	\$43.069	11.4	11.4			\$51,698	\$15,510	\$67,208
Total		3.5		103.0	95.0	8.0	\$220,991	\$118,917	\$141,770	\$481,678

Throughout the project period the garbage service will require 2 drivers and the recycling service will require 1. MGB carriers will be fitted to the vehicles and will carry spare parts enabling the drivers to make deliveries and repairs as they complete their runs. Replaced bins damaged beyond repair will be tipped into the compaction body for disposal.

Customer service will require 0.2 full time equivalents (FTE) which may be sourced from existing Litchfield Council administrative resources.

Contract management and supervision will require 0.6 FTE which will be provided by the existing Waste Manager. The Waste Manager will also make MGB deliveries and repairs when in the field reviewing the operations and interacting with the drivers.

The following table sets out the average labour hours per day throughout the 5 year term confirming that they do not exceed 12 hours per day at any stage during the review period.

Average Operating Labour Hours per Working Day - Litchfield Council - Pre-tender estimate - waste management & disposal services						
Leave Loading	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Driver - Garbage						
Employees		2.0	2.0	2.0	2.0	2.0
Ordinary Time		38.0	38.0	38.0	38.0	38.0
Overtime 1.5		4.6	5.4	6.3	7.2	8.1
Overtime 2.0		-	-	-	-	-
Total hours per week		42.6	43.4	44.3	45.2	46.1
Average Labour Hours Per Day - Garbage		8.5	8.7	8.9	9.0	9.2
Driver - Recycling						
Employees		1.0	1.0	1.0	1.0	1.0
Ordinary Time		38.0	38.0	38.0	38.0	38.0
Overtime 1.5		3.4	4.3	5.1	13.0	13.9
Overtime 2.0		-	-	-	-	-
Total hours per week		41.4	42.3	43.1	51.0	51.9
Average Labour Hours Per Day - Recycling		8.3	8.5	8.6	10.2	10.4
Average Labour Hours Per Day - Total		8.4	8.6	8.8	9.4	9.6

4. Other Initiatives

Other initiatives included in the MLO are as follows:

- **VRP Server Software - RAMS:** RAMS has been the standard in database management within the waste industry for over 30 years including vehicle routing, auto-charges, report management and providing operating statistics to assist with business optimisation.

It is proposed to introduce this program to manage the Litchfield Council property database including the individual MGBs and serial numbers, customer complaints, run statistics and landfill/processing fees, monthly operating and customer service reporting. Operating information such as vehicle hours, labour hours, downtime, productivity, disposal trips, vehicle load weights, landfill/processing fees, bin repairs and replacement, growth bins, customer complaints etc. will allow the Waste Manager to provide an efficient service and develop and monitor the effectiveness of optimisation strategies. Customer service staff will use the database to log requests from residents as they are received and raise work orders to action those requests.

Access to the RAMS interactive website allows the resident to search for their property address and request new/additional services, change bin sizes or log requests for bin repairs and has been included in the proposal to reduce the impact of introducing the kerbside collection service on call centre staff. This is a fully hosted Cloud service charged at \$2 per month for each 100 properties. This system downloads the bookings from the website and automates the creation of the Work Orders within RAMS to complete the requests.

The cost of renting the VRP server software plus licence fees for six users have been include in the operating costs. This requires the Council to host the software on its own server. There are no particular system requirements for the software and as long as the network is able to deploy standard Windows applications (Microsoft Office for example) then it should be suitable. The MLO assumes this will be installed on the

existing server and does not require the purchase of additional computer equipment. Alternatively the system may also be hosted on the suppliers Sydney based cloud server for a similar monthly cost. The advantage of hiring the software if that upgrades are free of charge ensuring there is always access to the latest version.

- **Trimble Vehicle GPS:** The Trimble GPS program allows the Waste Manager to monitor where the vehicle is at any stage and identify if there are any significant one-off or recurring delays. This will also allow the driver to identify and log issues for corrective actions such as bin damage, incorrect placement of bin, contaminated bins, low hanging power lines, trees requiring trimming, for example. This program will interface with the RAMS database to ensure the data is captured and provides the opportunity to manage recurring issues. The capital has been included in the cost of the compaction bodies and the ongoing costs have been included in the other operating costs.

SECTION 5: CAPITAL REQUIREMENTS

The table below sets out in detail the MLO prestart capital expenditure of \$2,063,668 required for the kerbside collection service consisting of cab 3 x chassis \$550,224, 3 x compaction bodies \$605,370, 13,416 x MGBs \$676,166, and allowance for bin bank \$80,000 and the balance of \$151,908 being other support assets.

Total Commencement Capital - Litchfield Council - Pre-tender estimate - waste management & disposal services												
New / Existing	Service Type	Description	Year	Quantity	Unit cost	New Asset Cost	Existing Asset Cost	Book Dep'n Rates	Tax Dep'n Rates	Book Dep'n Yr1	Tax Dep'n Yr1	
New Capital	Garbage	Iveco 6x4 - Euro 5 Dual Control 5.5m wheelbase	0	1	\$183,408	\$183,408	-	14.3%	20.0%	\$26,201	\$36,682	
New Capital	Garbage	Compaction Body Bucher - 35m ³ - 6x4	0	1	\$201,790	\$201,790	-	14.3%	20.0%	\$28,827	\$40,358	
New Capital	Garbage	Iveco 6x4 - Euro 5 Dual Control 5.5m wheelbase	0	1	\$183,408	\$183,408	-	14.3%	20.0%	\$26,201	\$36,682	
New Capital	Garbage	Compaction Body Bucher - 35m ³ - 6x4	0	1	\$201,790	\$201,790	-	14.3%	20.0%	\$28,827	\$40,358	
New Capital	Recycling	Iveco 6x4 - Euro 5 Dual Control 5.5m wheelbase	0	1	\$183,408	\$183,408	-	14.3%	20.0%	\$26,201	\$36,682	
New Capital	Recycling	Compaction Body Bucher - 35m ³ - 6x4	0	1	\$201,790	\$201,790	-	14.3%	20.0%	\$28,827	\$40,358	
New Capital	Garbage	Sulo - MGB's - 240L Startup	0	6,708	\$50	\$338,083	-	10.0%	15.0%	\$33,808	\$50,712	
New Capital	Recycling	Sulo - MGB's - 240L Startup	0	6,708	\$50	\$338,083	-	10.0%	15.0%	\$33,808	\$50,712	
New Capital	Garbage	Spare Vehicle - cab chassis	0	0.7	\$45,852	\$30,568	-	20.0%	20.0%	\$6,114	\$6,114	
New Capital	Garbage	Spare Vehicle - compaction body	0	0.7	\$50,448	\$33,632	-	20.0%	20.0%	\$6,726	\$6,726	
New Capital	Recycling	Spare Vehicle - cab chassis	0	0.3	\$45,852	\$15,284	-	20.0%	20.0%	\$3,057	\$3,057	
New Capital	Recycling	Spare Vehicle - compaction body	0	0.3	\$50,448	\$16,816	-	20.0%	20.0%	\$3,363	\$3,363	
New Capital	Garbage	HiLux 4x4 SRS Double Cab	0	1	\$50,607	\$50,607	-	20.0%	20.0%	\$10,121	\$10,121	
New Capital	Garbage	Tandem Trailer	0	1	\$5,000	\$5,000	-	20.0%	20.0%	\$1,000	\$1,000	
New Capital	Garbage	Bin Banks	0	20	\$4,000	\$80,000	-	20.0%	20.0%	\$16,000	\$16,000	
	Garbage	Total Assets		6,735		\$1,308,286	-			\$183,826	\$244,753	
	Recycling	Total Assets		6,711		\$755,382	-			\$95,257	\$134,172	
	Total	Total Assets		13,446		\$2,063,668	-			\$279,083	\$378,925	

A preowned spare vehicle no older than 5 years of age will be purchased to support the frontline vehicles during regular servicing and whenever unscheduled downtime occurs. The spare vehicle has been allocated between the garbage and recycling service based on annual operating hours of the front line vehicles.

A utility vehicle and tandem trailer will be utilised by the Waste Manager to review operations, interact directly with the drivers and support MGB maintenance and delivery.

The MLO specification for each Iveco cab chassis includes:

- \$2,500 - allowance for the installation of 2-way radio;
- \$5,500 - allowance for the installation of a bull bar and driving lights;
- \$2,500 - allowance for graphics including the Litchfield Council & Dirt Girl logos;
- \$1,800 – extend the cab chassis to 5.5m required to fit the 35m³ compaction body;

The MLO specification for each Bucher 35m³ compaction body includes:

- \$2,400 - Trimble GPS vehicle location manager;
- \$2,000 - airbag payload weighing system;
- \$5,200 - premium 4 camera colour CCTV system;
- \$5,200 – allowance for transporting completed vehicle to Darwin;
- \$6,000 – additional safety upgrades;

All compaction bodies will be 35m³ in size to maximise the recyclables payload and ensure they are interchangeable across both services. The compaction bodies will be fitted with pressure reducing switches which will support the airbag payload weighing system to ensure the vehicle does not get overloaded. The compaction bodies will all have an MGB carrier capable of holding 2 MGBs for delivery of growth and replacement MGBs.

All the cab chassis will have separate bin lifting controls such that the driver is capability of emptying MGBs while standing outside the cabin which is required to service the bin banks and multi-unit dwellings.

The table below summaries the \$2,294,461 capital expenditure required to support the kerbside collection service over the 5 year period being \$2,063,668 prestart and a balance of \$230,793 occurring between years 1 to 5 for growth and replacement MGBs. During the 5 year period 1,684 growth MGBs are purchased for each service highlighting the impact of the 5% annual growth assumption which represents a 25% increase on prestart properties by the end of the period.

Capital Summary - Litchfield Council - Pre-tender estimate - waste management & disposal services								AUD\$'000
Service Type	Description	Quantity	Year-0	Year-1	Year-2	Year-3	Year-4	Year-5
Garbage	Cab Chassis	2	\$367	\$0	\$0	\$0	\$0	\$0
Garbage	Compaction Body	2	\$404	\$0	\$0	\$0	\$0	\$0
Garbage	Sulo - MGB's - 240L Startup	6,708	\$338	\$0	\$0	\$0	\$0	\$0
Garbage	Sulo - MGB's - 240L Growth	1,684	\$0	\$11	\$20	\$22	\$23	\$25
Garbage	Sulo - MGB's - 240L Attrition	286	\$0	\$3	\$3	\$3	\$4	\$4
Garbage	HiLux 4x4 SR5 Double Cab	1	\$51	\$0	\$0	\$0	\$0	\$0
Garbage	Tandem Trailer	1	\$5	\$0	\$0	\$0	\$0	\$0
Garbage	Bin Banks	20	\$80	\$0	\$0	\$0	\$0	\$0
Garbage	Spare Vehicle - cab chassis	0.7	\$31	\$0	\$0	\$0	\$0	\$0
Garbage	Spare Vehicle - compaction body	0.7	\$34	\$0	\$0	\$0	\$0	\$0
Recycling	Spare Vehicle - cab chassis	0.3	\$15	\$0	\$0	\$0	\$0	\$0
Recycling	Spare Vehicle - compaction body	0.3	\$17	\$0	\$0	\$0	\$0	\$0
Recycling	Cab Chassis	1	\$183	\$0	\$0	\$0	\$0	\$0
Recycling	Compaction Body	1	\$202	\$0	\$0	\$0	\$0	\$0
Recycling	Sulo - MGB's - 240L Startup	6,708	\$338	\$0	\$0	\$0	\$0	\$0
Recycling	Sulo - MGB's - 240L Growth	1,684	\$0	\$11	\$20	\$22	\$23	\$25
Recycling	Sulo - MGB's - 240L Attrition	191	\$0	\$2	\$2	\$2	\$2	\$3
Garbage	Total Assets	8,705	\$1,308	\$14	\$23	\$25	\$27	\$29
Recycling	Total Assets	8,586	\$755	\$13	\$22	\$24	\$26	\$28
Organics	Total Assets	-	\$0	\$0	\$0	\$0	\$0	\$0
Total	Total Assets	17,291	\$2,064	\$27	\$45	\$49	\$53	\$57

SECTION 6: SERVICE COST

The table below sets out in detail the operating costs for each service broken down by collection costs, disposal / processing fees and container costs. The breakdown in fees is summarized as follows:

- The total annual cost of providing the kerbside collection service is \$219.62 per property or \$184.86 exclusive of depreciation.
- The total annual cost of providing the garbage collection service is \$135.11 per property or \$112.21 exclusive of depreciation.
- The total annual cost of providing the recycling collection service is \$84.51 per property or \$72.65 exclusive of depreciation.

Waste Collection & Disposal Cost by Service Type - Litchfield Council - Pre-tender estimate - waste management & disposal services							
Total	Collection Costs		Disposal Costs		Container Costs		Total
	Garbage	Recycling	Disposal Garbage	Disposal Recyclables	Containers Garbage	Containers Recyclables	
Revenue	\$805,580	\$369,078	\$233,937	\$266,204	\$45,107	\$43,120	\$1,763,027
Disposal Fees	\$0	\$0	\$212,498	\$241,808			\$454,306
Depreciation	\$150,018	\$61,448			\$33,808	\$33,808	\$279,083
Depreciation Other Assets	-	-					\$0
Registration	\$5,029	\$2,154					\$7,183
Insurance	\$2,432	\$701					\$3,133
Labour	\$264,129	\$127,938					\$392,067
R&M Mobile Equipment	\$80,474	\$35,672			\$7,165	\$5,360	\$128,671
Tyres	\$21,557	\$9,087					\$30,644
Fuel	\$100,239	\$44,523					\$144,762
R&M Mobile Equipment (Other)	-	-					\$0
Accident Damage	\$3,090	\$1,545					\$4,635
Licence Fees	\$618	\$309					\$927
Container Repairs & Maintenance	-	-					\$0
Uniforms	\$1,133	\$567					\$1,700
Utilities - water, electricity etc	-	-					\$0
Telephones - office	\$1,756	\$488					\$2,244
GPS costs	\$1,241	\$621					\$1,862
Two way radios	\$789	\$394					\$1,183
Truck washing	\$5,356	\$2,678					\$8,034
Employee KPI bonuses	-	-					\$0
Customer Service Staff	\$14,940	\$7,463					\$22,403
Calendars	\$6,955	\$3,474					\$10,428
Supervisor's costs (including all on costs)	\$44,820	\$22,388					\$67,208
Supervisor's vehicle running costs (including FBT)	\$3,953	\$2,194					\$6,147
Training	\$1,030	\$515					\$1,545
Ops Support / customer Service Allocation Contractor)	-	-					\$0
Contract Setup/education / Training	\$17,167	\$8,583					\$25,750
VRP Database	\$5,026	\$2,513					\$7,540
GROSS MARGIN	\$73,828	\$33,824	\$21,439	\$24,396	\$4,134	\$3,952	\$161,573
Branch support allocation	\$73,828	\$33,824	\$21,439	\$24,396	\$4,134	\$3,952	\$161,573
Branch support allocation	-	-	-	-	-	-	\$0
Corporate support allocation	-	-	-	-	-	-	\$0
Group Overhead	-	-	-	-	-	-	\$0
Amortisation of Goodwill	-	-	-	-	-	-	\$0
Sundry Income	-	-	-	-	-	-	\$0
Loss/(Gain) on disposal of fixed assets	-	-	-	-	-	-	\$0
EBIT	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Premises	\$8,028	\$8,028	\$8,028	\$8,028	\$8,028	\$8,028	\$8,028
Average Cost p.a.	\$100.35	\$45.98	\$29.14	\$33.16	\$5.62	\$5.37	\$219.62
Average Cost p.a. excluding depreciation	\$81.66	\$38.32	\$29.14	\$33.16	\$1.41	\$1.16	\$184.86

The table below sets out the average weekly and annual cost per property for the kerbside collection service assuming and annual property growth of 5% each year. The average weekly rate range is between \$4.16 and \$4.35 over the 5 year period whilst the average annual cost range is between \$216.55 and \$226.31. This confirms that the service rates remain relatively constant regardless of the requirement throughout the period regardless of the service growth.

Revenue Summary - Litchfield Council - Pre-tender estimate - waste management & disposal services						
Yr 0	Year-0	Year-1	Year-2	Year-3	Year-4	Year-5
Total Properties	7,800	8,028	8,429	8,850	9,293	9,757
Participation Rate	86%	86%	86%	86%	86%	86%
Service Entitled Properties	6,708	6,904	7,249	7,611	7,992	8,391
Total Services p.a.		538,520	565,569	593,906	623,706	655,014
Service Rate / Property / Week		\$4.22	\$4.18	\$4.16	\$4.35	\$4.35
Service Rate / Property / p.a.		\$219.62	\$217.13	\$216.55	\$226.31	\$226.23
Total Collection Revenue		\$1,763,027	\$1,830,170	\$1,916,527	\$2,103,066	\$2,207,475
Service Growth %		2.9%	5.0%	5.0%	5.0%	5.0%
Cost Escalation Due to Price Movements %		0.0%	2.6%	2.6%	2.6%	2.6%

SECTION 7: OPERATING ASSUMPTIONS

The table below sets out the draft assumptions for the tender variables.

Item	Detail
Contract Period	<ul style="list-style-type: none"> 5 years analysis period.
Labour	<ul style="list-style-type: none"> Labour rates are based on the current Litchfield Council Enterprise Agreement 2014 <ul style="list-style-type: none"> Drivers – Level 4: Step 4 - \$67,050 p.a. Customer Service – Level 7: Step 1 - \$80,839 p.a. Waste Manager – Level 7: Step 1 - \$80,839 p.a. Assumes the Litchfield Council Enterprise Agreement terms and conditions apply throughout the term. Workers Compensation – 5.0%. Wage Rate increases – 4.0% per annum. Superannuation guarantee commences at 9.5% in year 1 and escalates in accordance with the ATO guidelines.
Collection Times	<ul style="list-style-type: none"> Collections to commence each day at Councils discretion. Shoal Bay Waste Management Facility - opening times 7.00am to 6.00pm. Transpacific Cleanaway MRF - opening times 7.00am to 5.00pm. Product not to remain in vehicles overnight.
Frequency	<ul style="list-style-type: none"> Waste – Weekly Recycling – Fortnightly
Disposal / Processing Fees	<ul style="list-style-type: none"> Garbage - Shoal Bay Waste Management Facility - \$52.72 per tonne. Transpacific Cleanaway MRF - \$150.00 per tonne. Assumes Transpacific Cleanaway will have a weighbridge installed at the MRF prior to service commencement.
Growth rates	<ul style="list-style-type: none"> 5% annually <p>The Litchfield Council region is the primary location for future development within the greater Darwin area as the Darwin and Palmerston municipality becomes exhausted of suitable land. This is supported by the proposed developments at Noonamah and Holtze expected to release around 14,000 properties over the next 20 years. Current growth in the Litchfield Council region has been around 1% per annum and the additional 4% is required to support growth from the greater Darwin region.</p>
Service Numbers Garbage & Recycling	<ul style="list-style-type: none"> Total rateable premises Nov-14 = 7,800; Jul-15 = 8,028 including property growth escalation. Service entitled premises Nov-14 = 6,708 (excludes 14% est. commercial); Jul-15 = 6,904 including property growth escalation. No wheel in wheel back services are to be provided. No services to be provided to commercial properties. Assume all MUDs premises services by 1 x 240Lt Garbage MGB and 1x240Lt Recycling MGB. Assume it is the MUD property manager's responsibility to find a suitable location for MGBs such that they can be emptied with the driver remaining in the cabin. Additional kerbside collection services will be available to ratepayers of multiple occupancy properties at an additional charge equivalent to the full cost recovery of the service.
Service Numbers Difficult Access MGBs	<ul style="list-style-type: none"> The quantity of bin banks is still to be finalised. Assume all premises serviced by a bin bank will be entitled to a 1 x 240Lt Garbage MGB and 1x240Lt Recycling MGB. Assume it is the resident's responsibility to relocate their MGB at a suitable site during times when unsealed roads are inaccessible. Assume it is the resident's responsibility to locate the MGB on a site directly accessible by the driver from the cabin of the collection vehicle.
Presentation Rates	<ul style="list-style-type: none"> Waste MGBs 85%. Recycling MGBs 75%. <p>Please note this information was obtained from G Geuenich based on experience with similar contracts.</p>
Weights per collected bin	<ul style="list-style-type: none"> Waste MGB's 13.2kgs per collected bin. Recycling MGB's 11.2kgs per collected bin.

Item	Detail																					
	Please note this information was obtained by Litchfield Council as a result of discussions with the City of Darwin experience.																					
Productivity of lifts	<ul style="list-style-type: none">Garbage MGB’s minimum at contract commencement - 101 bins per collection hour.Recycling MGB’s minimum at contract commencement - 87 bins per collection hour.Additional Garbage MGBs – 180 bins per collection hour.Additional Recycling MGBs – 155 bins per collection hour. <p>The productivity improves on additional bins as it only entails the cycle time to empty the bin and no additional travel.</p> <p>The above information is an estimate provided by G Geuenich based on similar contract experience and a review of the collection area.</p>																					
Collections Days	<ul style="list-style-type: none">Collection services will occur from Monday to Friday each week.Collection services will be maintained during public holidays but may be varied as a result of the disposal / processing facilities hours of operation on those days.May be extended to a Saturday if the disposal / processing facilities are closed on public holidays.May extend to weekends to recover delays caused by the wet season such as inaccessible roads.No allowance has been made in the financial analysis for weekend work.																					
Depot	<ul style="list-style-type: none">Assumes the Litchfield Council will develop the facilities required for the kerbside collection contract, including a truck wash, at the current Humpty Doo transfer station.The capital and ongoing operating costs for the depot have been excluded from the financial analysis of the kerbside collection service.																					
Asset Depreciation	<p>The assets have been depreciated for book and tax at:</p> <table><tr><th>Asset</th><th>Book</th><th>Tax</th></tr><tr><td>Cab Chassis</td><td>14.3%</td><td>20.0%</td></tr><tr><td>Compaction Bodies</td><td>14.3%</td><td>20.0%</td></tr><tr><td>Pre-start and Growth MGBs</td><td>10.0%</td><td>15.0%</td></tr><tr><td>Attrition MGBs</td><td>100.0%</td><td>15.0%</td></tr><tr><td>Preowned Spare Vehicle</td><td>20.0%</td><td>20.0%</td></tr><tr><td>Other Plant</td><td>20.0%</td><td>20.0%</td></tr></table>	Asset	Book	Tax	Cab Chassis	14.3%	20.0%	Compaction Bodies	14.3%	20.0%	Pre-start and Growth MGBs	10.0%	15.0%	Attrition MGBs	100.0%	15.0%	Preowned Spare Vehicle	20.0%	20.0%	Other Plant	20.0%	20.0%
Asset	Book	Tax																				
Cab Chassis	14.3%	20.0%																				
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Attrition MGBs	100.0%	15.0%																				
Preowned Spare Vehicle	20.0%	20.0%																				
Other Plant	20.0%	20.0%																				
Mobile Bins Provision	<ul style="list-style-type: none">New MGB’s purchased by Litchfield Council prior to contract commencement.Mobile bins replacement, stolen, damage etc. set at 0.75% Garbage MGBs and 0.50% for recycling MGBs.Mobile bin repairs estimated at \$0.75 per bin per annum for each bin in the field.All bin deliveries and repairs provided by the kerbside collection drivers or the Waste Manager.																					
Replacement MGB’s Bins	<ul style="list-style-type: none">To be capitalised and written off during the year of purchase.																					
Vehicles	<ul style="list-style-type: none">All front line vehicles are to be new at contract commencement.Frontline vehicles will conform to Euro 5 emission standards.All compaction bodies will be supplied new.Spare vehicles can be no older than a 2010 model at the commencement of the contract.GPS as a minimum on all collection trucks with reporting requirements to be agreed.All cab chassis to be white, body colour and graphics to be determined by the Litchfield Council.A \$2,500 allowance has been provided for graphics on each truck.Insurance allowance of \$510 per vehicle has been provided which is consistent with the current Litchfield Council vehicle insurance premiums.																					
Vehicle Operating Costs	<p>The following operating parameters have been assumed in the MLO</p> <ul style="list-style-type: none">Iveco Cab Chassis - contract maintenance \$8.65 per vehicle hours based on a 2,400 minimum per annum;Bucher Compaction Body - \$7.50 per vehicle hours based on indicative contract maintenance rates provided by the Supplier;Diesel fuel usage at a rate of 15.0 litres per hour;Diesel fuel cost of \$1.297 per litre; based on the current Darwin bowser price of \$1.599 per litre, less \$0.04 per litre fleet card discount, divided by 1.1 to exclude GST, less the diesel fuel rebate of \$0.12003 per litre.																					

Item	Detail
	<ul style="list-style-type: none"> The diesel fuel price has been inflated by \$0.05 per litre to cover AdBlue consumption of around 5% of diesel usage and at a price of \$1.00 per litre. Tyre usage at \$4.16 per hour.
Capital	<ul style="list-style-type: none"> Vehicles actual quotes obtained from Iveco, Dennis Eagle and Isuzu. Preferred vehicle selected in the MLO is the Iveco who have approximately 85% of the municipal market in Australia and over 40 years of experience. Further consideration of the Dennis Eagle cab chassis is recommended before making a final commitment. Compaction Bodies actual quotes obtained from Bucher and Superior Pak. Preferred compaction Body selected in the MLO will be manufactured by Bucher. Further consideration of the Superior Pak body is recommended before making a final commitment. Quotes validity period: <ul style="list-style-type: none"> Iveco – 30 days Bucher - 30 days Sulo – 60 days Additional supplier quotations will be required when the final equipment providers have been selected. No allowance has been made for capital price escalations between now and contract commencement in Jul-15. Capital costs estimations have been included for the bin banks, a spare collection vehicle, a utility vehicle and a tandem cage trailer.
Allocated Overheads	<ul style="list-style-type: none"> Based on the Litchfield Council budget 2014/15 cost for governance and corporate services and allocated on FTE head count basis.
Management and Customer Service	<ul style="list-style-type: none"> 0.2 FTE Customer Service (existing role). 0.6 FTE Waste Manager (existing role).
Inflation General	<ul style="list-style-type: none"> Capital expenditure 3% Labour 4%. Disposal Fees 3.0%. Registration. Licence Fees & Insurance 3.0%. Equipment R&M 3.0%; Fuel price growth 4.0% Tyres 3.0% Communications 3.0% Allocated Overheads 3.0% CPI at 2.5%
Rise And Fall	<ul style="list-style-type: none"> Not applicable as the financial analysis assumes full cost recovery each year and is varied proportionally by the weighted average of the cost movements of each cost component.
Redundancy	<ul style="list-style-type: none"> No allowance has been made for redundancies at the end of the contract period.
Asset Disposal	<ul style="list-style-type: none"> No POSA or LOSA will be calculated in the 5 year model. It has been assumed in the financial model that the Litchfield Council will obtain a value equal to written down value in the event that these vehicles were sold at the end of the review period.
Diesel Fuel Rebate	Assumes the diesel fuel rebate of \$0.12003 per litre applies for the full term of the analysis period.
GST	<ul style="list-style-type: none"> All prices quoted in the paper are exclusive of GST.
Carbon Tax	<ul style="list-style-type: none"> No allowance has been made for Carbon Tax.
Education Allowance	<ul style="list-style-type: none"> Assumes \$15,000 prestart education with no further cost in the latter years. The cost of the Dirt Girl program has been excluded from the MLO financial analysis. An annual allowance of \$10,000 adjusted by CPI has been included for calendars.
Training	<ul style="list-style-type: none"> An allowance of \$10,000 has been provided in year1 for training and associated travel costs related to the VRP database.

SECTION 8: COMMERCIAL RISK ANALYSIS

The following key risks have been identified and sensitised against the MLO presented in the paper.

Please note for interpretation purposes:

- The likelihood rating “1” equates to a low level of assessed (unmitigated) risk likelihood while a “10” equates to certainty; and
- The unmitigated cost impact is based on 10% adverse movement.

The Risk	Likelihood (1 – 10)	Unmitigated Impact (MLO)	Mitigations
Capital cost escalation	2	Additional cost • Yr1 - \$27,908 • Project - \$145,138	The supplier's quotes are valid for 30days with the exception of the MGBs which is valid for 60. If the project proceeds an RFQ will be raised for the supply of all the capital and firm contracts entered into. Capital prices have remained flat over the past couple of years and are not expected to vary in the near future. The main exposure exists between now and when orders are committed to the suppliers. It is expected that more complete quotes will be obtained during the RFQ process as suppliers compete for the contracts.
Participation rate	3	Additional cost • Yr1 - \$63,486 • Project - \$685,977	The participation rate has been estimated at 86% based on a property review by the Litchfield Council indicating 95% of the 5,000 urban properties and 70% of the 2,800 rural properties are residential with the balance being commercial. The service will not be offered to commercial properties. Further work will be conducted on these properties to determine the accurate ratio of commercial to residential properties and factored in the final MLO.
Presentation Rate	3	Additional cost • Yr1 - \$55,325 • Project - \$638,524	The presentation estimates have been established as an estimate based on similar contracts.
MGB weights	3	Additional cost • Yr1 - \$28,333 • Project - \$477,871	Weights were provided by the Litchfield Council following a review of the Darwin City Council contract. These weights were compared to similar SA contracts where CDL is also in place and impacts the weight of recyclables. The weights adopted for both MGBs are consistent with the Darwin City Council. The Garbage weights are higher than the SA contracts where organics collections improves waste diversion from the garbage stream. The recycling weights are consistent with that experienced in similar SA contracts.
Weather disruption	3	Not quantifiable	Weather disruption may occur during the wet season when roads are impassable. The MLO assumes that during these times the resident will relocate their bins to an area suitable for service by the collection vehicle or take it directly to the transfer station. If the Litchfield Council agrees to make an extra trip, most likely on the weekend, to collect these bins additional overtime will be incurred. A final strategy needs to be developed to deal with this issue prior to service commencement.
Availability rate	2	Not quantifiable	The vehicles are operating from between 9 and 12 hours per day. Exceeding 12 hours poses a fatigue risk and is also restricted by opening hours of the disposal / processing facilities. Even when the frontline vehicles are operating at around 12 hours per day the spare vehicle is available ensuring that total spare capacity is never lower than 25%.
Service Growth	4	Additional cost • Yr1 - \$15,115 • Project - \$42,372	Service growth has been estimated at 5% which increases the base service numbers by around 25% after 5 year. The Litchfield Council area will be where most of the development occurs over the next 20 years to support population growth in the greater Darwin region. Current growth in the Litchfield Council region has been around 1% per annum and the additional 4% is required to support growth from the greater Darwin region.
Disposal / processing fees	2	Additional cost • Yr1 - \$45,431 • Project - \$265,624	Pricing from the Shoal Bay facility has been taken directly off the standard scheduled rates and Transpacific Cleanaway has provided indicative pricing based on one off loads. It is expected that both these rates will be reduced as a result of the RFQ and by entering long term contracts. The recyclables rates of \$150 per tonne used in the MLO compares to \$58 per tonnes currently being paid by the City of Palmerston.

The Risk	Likelihood (1 – 10)	Unmitigated Impact (MLO)	Mitigations
Labour	2	Additional cost • Yr1 - \$38,204 • Project - \$221,333	Labour rates have been based on the Litchfield Council Enterprise Agreement 2014 which expires in Mar-17. The rates and terms of this agreement are quite favorable and it is not anticipated that the terms will be less favorable when rolled over in 2017. The annual wage rate increases have been estimated at 4% consistent with the current agreement.
Productivity	4	Additional cost • Yr1 - \$29,985 • Project - \$180,209	The productivity estimates have been established as an estimate based on similar contract experience and a review of the collection area taking into consideration the vast area to be covered. Further work will be undertaken to confirm these rates and factored in the final MLO.
Repairs & maintenance	3	Additional cost • Yr1 - \$13,330 • Project - \$75,509	Contract maintenance has been quoted by the cab chassis supplier and indicative contract maintenance rates by the compaction body supplier. Contract maintenance is generally higher than ad hoc maintenance as the supplier must take on the risk associated with the way they are driven and the application they are used for. During the RFQ process the Litchfield Council will continue to persuade the equipment suppliers to provide contracted maintenance.
Fuel usage	3	Additional cost • Yr1 - \$14,476 • Project - \$83,484	Fuel usage has been estimated at 15 litres per hour with a 5% ratio of AdBlue to diesel fuel. This fuel consumption rate was determined by reviewing comparable regional municipal contracts and equipment.
Fuel price	5	Additional cost • Yr1 - \$14,476 • Project - \$83,484	Diesel fuel has been estimated at the current supply rate with 4% escalation. In recent years there has been periods of instability but generally the annual growth has been below 4%.
Diesel fuel rebate	4	Additional cost • Yr1 - \$12,897 • Project - \$74,378	The diesel fuel rebate is currently \$0.12003 cents per litre. The ATO in recent years has reduced the rate which some time ago was around \$0.18 per litre. It is feasible that this may be removed altogether sometime in the future.
Tyres	3	Additional cost • Yr1 - \$3,064 • Project - \$17,273	The tyre consumption rate was determined by reviewing comparable regional municipal contracts. This is based on new steer tyres and recaps on the drive tyres.

SECTION 9: NET COST IMPACT TO LITCHFIELD COUNCIL

The table below sets out the net cost impact to the Litchfield Council waste management services based on budget 2014/15 as a result of the:

- kerbside collection and disposal service; and
- reduction on waste volume at the transfer stations due to kerbside collections.

Year 1 (AUD\$)	Total Cost	\$ / Property p.a.	Comments
Total kerbside collection cost	1,763,027	\$219.64	Total Annual cost of MLO (Assumes 8,028 properties)
Less:			
Depreciation	279,083	\$34.77	Depreciation is not a cash cost.
Labour	101,154	\$12.60	
Customer service staff	22,403	\$2.79	Allocation from existing administration staff (20%).
Waste Manager	67,208	\$8.37	Allocation from existing Waste Manager (60%).
Governance & corporate services	161,573	\$20.13	Allocation from budgeted Governance & corporate services.
Net cash cost impact of kerbside collection service	1,232,760	\$140.97	
Impact on Transfer Stations			
Disposal fees	314,555	\$40.33	Reduced costs due to 65% reduction in transfer station waste
Contractors transport fees	306,735	\$39.33	Reduced costs due to 65% reduction in transfer station waste
Plant operating costs	120,091	\$15.40	Reduced costs due to 65% reduction in transfer station waste
Net cash impact on total waste management services	491,379	\$45.92	

SECTION 10: CONCLUSION

It is recommended that in order to meet its objectives in waste diversion in accordance with the Territory Waste Strategy, support the Litchfield Councils Strategic Plan 2013-16 for an integrated waste system, meet the demands of the community and support future growth developments that the Litchfield Council seeks approval to implement the following kerbside collection and disposal service:

- Weekly garbage collection service utilising a 240Lt MGB; and
- Fortnightly co-mingled recycling collection service utilising a 240Lt MGB.

This paper identified four alternative options for the collection service with the final recommendation, referred to in this paper as the MLO, based on an in-house service with Council providing all of the facilities, capital requirements, disposal / processing costs and labour required to support this service as it represents the best value proposition taking into consideration the total cost and risk profile.

The scope of services includes the following:

- Capital required to support the services including cab chassis, compaction bodies, MGB's and other support assets;
- Labour required to operate the collection vehicles;
- Disposal fees at the Shoal Bay Waste Management facility;
- Recyclables processing fees at Transpacific Cleanaway MRF facility located at Holtze;
- Provision of bin banks for difficult access areas; and
- Depot situated at the current Humpty Doo transfer station.

**LITCHFIELD
COUNCIL**



Waste Strategy 2018 – 2023

...it all comes back to reuse and recycling

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Litchfield Council: setting our direction in waste management

*Together, Council and the community will work to **Reduce** the amount of waste we generate, **Reuse** what we can and **Recycle** waste resources to reinvest back into the community, enhancing our municipality as “the best place to live in the Top End.”*

In 2016, Litchfield Council commenced development of a waste strategy for the Municipality. Council in its 2016-2020 Strategic Plan identified the development of a waste strategy as essential to developing improved and more sustainable waste management practices to support our growing population, which now exceeds 25,000.

This Waste Strategy outlines Council's plans to continue to improve the way we manage waste in the Litchfield Municipality. It identifies targets and strategies to achieve our goals within the broader regional context, while delivering Council's overall strategy for a cost-effective waste management service to our community.

This Strategy sets out the current waste situation, the challenges Council faces, the strategic context and the five focus areas that Council will concentrate on over the next five years. Additional information supporting this Strategy can be found in the accompanying Background and Discussion Paper used as the basis for developing this Strategy.

This paper is available on Council's website www.litchfield.nt.gov.au.





Waste management in Litchfield: the current situation

Council's waste management service includes three waste transfer stations (WTS) located at Humpty Doo, Howard Springs and Berry Springs. Once waste is brought to any of these transfer stations, it is either processed and on-sold back to the community, goes on to other recycling ventures or goes to the only landfill facility in the Top End - the City of Darwin's Shoal Bay facility near Leanyer. People are responsible for the delivery of their waste and recyclable material to our transfer stations. Mixed waste is deposited into skip bins, which are then transported via a contractor to the Shoal Bay landfill. Recyclables are collected in front lift bins and processed at a privately owned and managed materials recovery facility in Berrimah, Darwin. Bulky materials such as concrete, green waste, wood waste and scrap steel are stockpiled and recycled or reused offsite.

Regarding quantities, Council's 2016-17 waste figures are shown as a breakdown of waste types (in tonnes) of material received at Council's transfer stations. Council has calculated the proportions of total waste received at the transfer stations that is recycled.

Material	Destination	Unit
Mixed waste	Landfill at Shoal Bay	8683 t
Scrap metal	Sold to recycler	1207 t
Mulch	Sold for reuse	4313 t
Crushed concrete	Sold for reuse	616 t
Wood mulch	Sold for reuse	271 t
Cardboard	Collected by recycler	142 t
Paper, glass, cans and plastics	Collected by recycler	129 t
Batteries	Collected by recycler	109 t
Used oil	Collected by recycler	54 kL
Tyres	Collected by recycler	23 t

Combines
as dry
recyclables

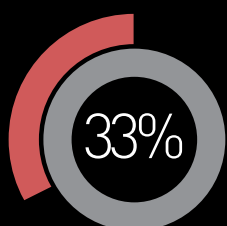
* estimate only as assumptions made to convert some volumes to tonnes



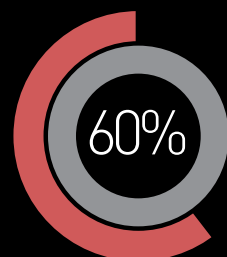


Recycling: where we stand

Total recovery rate



Litchfield WTS



National Average

Our figures indicate that Humpty Doo WTS receives and sends to landfill about the same amount of waste as Berry Springs WTS and Howard Springs WTS combined. When all materials are considered, the diversion from landfill is around 31%, thanks largely to mulch and wood waste sales, concrete crushing and the collection of scrap metal. With other states having diversion from landfill rates of around 60%, there is work to be done in Litchfield to increase recycling, especially for dry recyclables, which has significant scope to expand from its current rate of around 3%.

Waste Transfer Centre	Humpty Doo	Howard Springs	Berry Springs	Combined
Vehicles (trips per annum)	69 750	64 568	Data N/A	-
Total waste generated [^]	8067 t	3139 t	2188 t	13 394 t
Total waste to landfill	4952 t	2029 t	1709 t	8683 t
Total waste recycled	2732 t	1046 t	437 t	4215 t
Total recovery rate ^{^^}	34%	33%	20%	31%
Dry recyclables ^{^^^}	181 t	105 t	86 t	372 t
Dry recyclables rate	2%	3%	4%	3%

[^] estimate only as assumptions made to convert some volumes to tonnages

Total recovery is considered all recyclables as a portion of the total waste generation. It is interesting that Humpty Doo WTS does not significantly outperform Howard Springs WTS on a recycling percentage basis, even after considering the site upgrades at Humpty Doo WTS completed in 2012. This suggests that infrastructure improvements at the WTSs must be complemented by programs to encourage a change in recycling efforts.



What are our key challenges?

Council faces challenges in providing a cost-efficient service that meets community needs and values the environment. These challenges are:

Cost pressures from increasing fees for waste disposal at the Shoal Bay Landfill

The Shoal Bay landfill is the only such waste disposal in the Top End.

Community expectations for a clean, efficient and cost-effective waste service

Revenue from waste management does not generate income for Council; the waste charge paid by households balances the ongoing costs associated with operation, recycling and disposal.

Low recycling rates for household

Diversion of recyclable waste from landfill, at 33%, significantly outperforms the NT average of 9%. However, other jurisdictions such as the ACT, NSW, SA and VIC all average over 60%. This gap is primarily a result of low collection of household dry recyclables in Litchfield (such as paper, cardboard, glass, plastic, etc) and no viable destination for food organics.

The need to gather more data to complete the picture

We need to gain a greater understanding of the composition of loads that enter the transfer stations identify where our efforts are best targeted.

Growth of smaller 'urban style' lots

Future urban residential development at Holtze and expansion of residential development at Coolalinga and other Rural Activity Centres may require a different service level than rural lots. **Page 321 of 337**



The strategic context

The strategic context for waste management is important to understand.

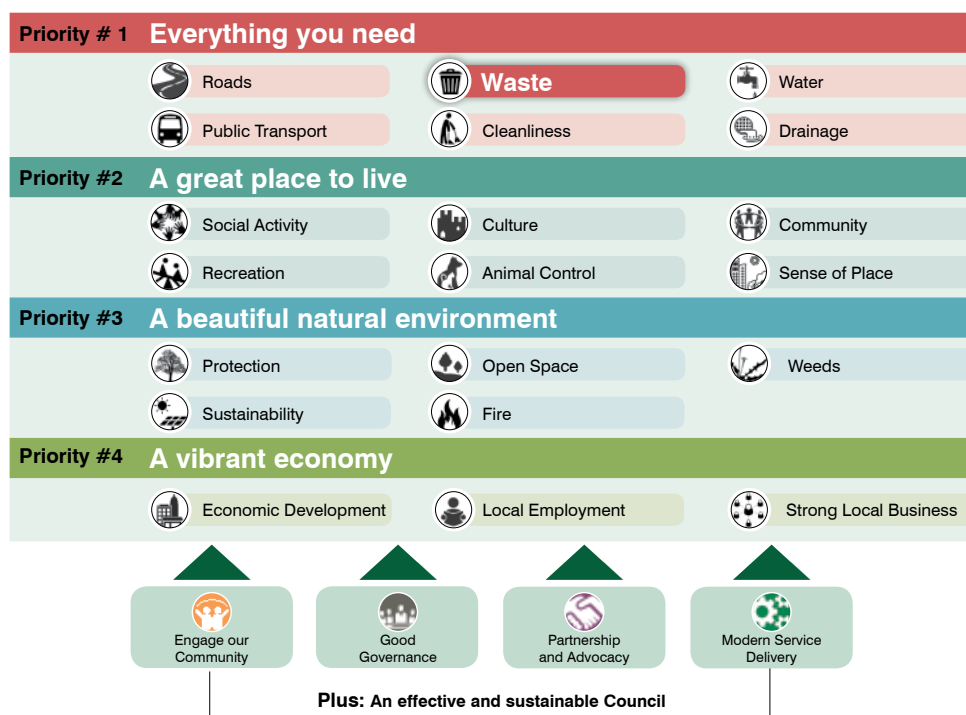
Every level of government has a role to play in working with the community to see waste managed in an economic and sustainable manner.

The **National Waste Policy 2009** has four key aims that relate to avoiding the generation of waste; managing waste as a resource; treating waste in a safe, scientific and environmentally sound manner; and contributing to sustainability improvements. These aims are captured in the waste management hierarchy.

Council is mindful of the **NT Waste Management Strategy 2015-2022** and its objectives. The NT Strategy states:

“Waste is a significant environmental issue. Disposal of waste consumes land, produces pollution to the atmosphere, soil and groundwater, and represents a loss of potential resources including embodied energy and materials.”

Council's Strategic Plan 2016 – 2020 comprises four priorities for our community, and within those, we work on 20 outcomes that we know matter to our communities. This is underpinned by actions taken to ensure an effective and sustainable Council. The Waste Strategy is a key element to delivering the Litchfield Council Strategic Plan 2016 – 2020, and Council's vision of making Litchfield the best place to live in the Top End.



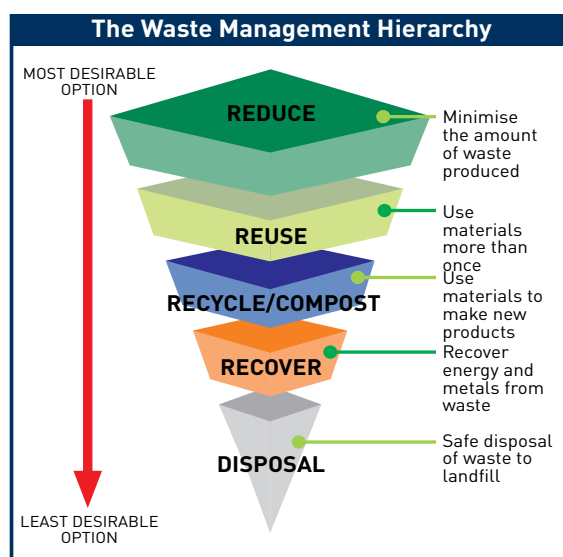
Everything you need	The transfer stations represent essential infrastructure required by the community.
A great place to live	Residents often use the transfer stations weekly, so with an increased focus on site layout and amenity, the stations can offer an improved user experience.
A beautiful natural environment	Efforts to increase resource recovery will lead to a more sustainable community in Litchfield. Reduced litter and illegal dumping will improve the amenity and protect the renowned natural environment.
A Vibrant Economy	Reuse and recycling can create employment opportunities inside the Litchfield municipality rather than sending waste outside the Council area.

Priority #1 Everything you need

This priority encompasses Council's approach to waste management. Council's strategic goals for waste management are:

- Waste to landfill is minimised, along with disposal costs to residents, through a combination of incentives, redesigned WTS processes, and community education.
- Revenue is maximised from waste products, such as glass, steel and green waste.
- Littering and dumping enforcement methods are investigated.
- The location and function of a future new regional waste facility meets Litchfield's future needs.

Priority # 1: Everything you need		Council Role						
		Service Delivery	Advocacy	Community Engagement	Revenue Fund	Regulations	Partnering	For more information
Roads								
Programmed road upgrades and maintenance to safe standards, including school zones		●						10 Year Road Programme
Accident black spots are policed and signed to reduce avoidable injuries			●					
Bike-friendly roadways designed, with designated pathways, where possible		●					●	
Roads are protected from undue wear due to heavy machinery						●		
Traffic management on major arterial roads (e.g., Stuart Highway) enables peak traffic flow			●					
Public Transport								
Gaps in bus service and frequency are filled			●					
People who are isolated are served with additional transport options			●					
Waste								
Landfill is minimised, along with disposal costs to residents, because of a combination of incentives, redesigned WTS processes, and community education		●		●		●		10 Year Waste Management Plan
Revenue is maximised from waste products, such as glass, steel and green waste					●		●	
Dumping enforcement methods are investigated						●		
The location and function of the proposed Regional Waste Facility meets Litchfield's current and future needs			●					
Cleanliness								
The quality and efficiency of roadside management is reviewed and improved		●						
Water								
Planners and utilities provide quality water supply, drainage and sewage systems, for residential, recreation and commercial purposes			●					
Drainage								
Programmed drain upgrades and maintenance to prevent wet season flooding and enable routine drainage		●						10 Year Drainage Improvement Plan



National Waste Policy 2009

NT Waste Management Strategy 2015–2022

Waste is a significant environmental issue. Disposal of waste consumes land, produces pollution to the atmosphere, soil and groundwater, and represents a loss of potential resources including embodied energy and materials

Litchfield Strategic Plan

Litchfield Waste Strategy



What you told us: our 2017 waste survey

To guide the development of a waste strategy, Council sought nominations and formed a community reference group comprised of eight residents who volunteered to bring community perspectives to the project. We also engaged directly with Litchfield residents through a community survey. Over a period of ten days in February 2017, Council received 937 responses to our 15-question survey, a fantastic response! What you told us was interesting:

- 97% of residents thought the waste management service at the transfer stations was either great or average, with only 3% saying it was poor.
- Nearly half of residents use our waste transfer stations once per week. A quarter use it multiple times per week and the other quarter less than weekly.
- Over 90% of residents sort their recycling at home.
- 70% of residents thought recycling was important.
- 69% of residents thought Council should not offer a kerbside waste collection service, further demonstrating the community supports for the existing transfer station model.



New regional waste management facility

The construction of a new regional landfill, earmarked to be within the Litchfield Municipality, will have a great benefit to Council as well as the broader region. A new landfill provides two strategic opportunities: it provides an alternative and competition to Shoal Bay landfill and Council will have a shorter haulage distance, resulting in lower costs.

The Shoal Bay landfill facility still has considerable capacity to expand, with estimates that there are several decades of airspace available. The greatest threat to that airspace is a cyclone event or some other natural disaster resulting in widespread generation of green waste and demolition waste. In such a scenario, the Shoal Bay landfill would likely exceed its capacity from one single large event. At this point in time, the need for an emergency waste disposal site is the greatest priority (rather than a fully operating landfill alternative) and work is currently being led by Top End Regional Organisation of Councils (TOPROC), of which Litchfield Council is a member. An emergency-only waste facility has marginal benefit to Litchfield Council's waste management service; which is a reduction in the risk that the transfer stations become overstretched during clean-up after a major natural disaster event.



Our strategy explained: five focus areas and five years of actions

Council has considered how the Priorities outlined in *Council's Strategic Plan 2016-2020* relate to our waste challenges and we have identified five overarching goals for our Waste Strategy, outlining what we want to achieve for each area.

Our Waste Strategy includes a series of actions for the next five years; these actions have been mapped with a timeline. The actions are summarised below and described in more detail on subsequent pages. Where costs are known year on year, these are provided. Some actions identify infrastructure upgrades; these upgrades are excluded from the action tables as their costs are not yet known.

The results of actions undertaken in the first five years will guide Council towards a further set of actions for the following five years.

Focus area	Description	Measured by
1 Continuous improvement in waste disposal services to optimise savings on costs	Council provides waste services on a user-pays basis. That is, the cost of the service is paid by ratepayers through an annual charge. Council aims to control costs while maintaining a consistent level of service.	The cost per tonne of waste throughput via the annual waste charge is static or lower year on year ¹
2 Reduce waste to landfill	Recycling is an opportunity to: 1 avoid the environmental hazards of landfill 2 relieve pressure on extraction of raw materials and energy 3 preserve our environment 4 promote employment opportunities in the waste industry	The amount of dry recyclables collected is >15% of the total waste collected ²
3 Reduce incidence of dumped rubbish and litter	The Litchfield Municipality is renowned for its natural beauty. The presence of litter and illegal dumping affects the visual amenity for residents and visitors.	Baseline established of the incidence of illegal dumping
4 Maintain overall customer satisfaction of the waste service	Our community was broadly satisfied with the waste transfer stations in the 2017 survey, so the challenge lies ahead to continuously improve and lift the user experience, especially as our population grows and changes.	> 95% of residents think the service at the transfer stations is satisfactory or better
5 Advocate on behalf of the community	Council is committed to advocating to government and stakeholders on a broad range of waste issues on behalf of the community.	Council drives change and support through other levels of government.

1. Taking into account increases in CPI, population and external landfill charges.

2. Assumes level of service remains unchanged

	Year 1	Year 2	Year 3	Year 4	Year 5
	\$141,500	\$50,000	\$165,000	\$45,000	\$52,000
1	1.1 Tender for waste haulage				
	1.2 Ensure service level matches community expectations				
			1.3 Develop Berry Springs and Howard Springs landfill remediation plans		
	1.4 Provide free green waste disposal for the month of November				
		1.5 Prepare disaster waste plans			
		1.6 Unlock value in dry recyclables			
2	2.1 Conduct Waste Audits			Conduct Waste Audits.	
		2.2 Implement incentives to boost recycling			
		2.3 Support home separation of recycling			
		2.4 Support food waste mgmt. at home			
			2.5 Invest in waste education		
					2.6 Rename waste transfer station to resource recovery centre
				2.7 Investigate potential for a social enterprise to operate a dump shop.	
3					3.1 Establish and engage with community action group.
			3.2 Establish by-laws regarding litter and illegal dumping		
4	4.1 Complete operational improvements at Berry Springs		Review of Berry Springs operating services		
	4.2 Improve Humpty Doo recyclable containers drop-off				
	4.3 Develop branding for Council's Community Grants Scheme				
	4.4 Improve WTS safety				
					4.5 Review master planning for Howard Springs, Humpty Doo and Berry Springs
			4.6 Improve WTS amenity		
5	5.1 TOPROC development of emergency waste facility				
	5.2 Product stewardship				
	5.3 Open dialogue with businesses				
		5.4 Waste planning for new land development			
	5.5 Appropriate disposal of hazardous waste				

Note: Details on costs are provided in subsequent action descriptions

* Estimated

1 Continuous improvement in waste disposal services to optimise savings on costs

Measured by: The cost per tonne of waste throughput via the annual waste charge is static or lower year on year

1.1 New waste haulage contracts	<p>Council's previous five-year transport contract for waste haulage to Shoal Bay landfill expired in December 2016; an extension to the contract was exercised. In early 2018 Council will begin a new contract for waste disposal. The opportunity with the next contract is to separate out the steel collection from the waste haulage – at present Council earns no revenue from the scrap. A separate steel contract could result in revenue to Council of up to \$20,000 per year.</p> <p>Council will consider the potential impact of population growth over the term of the next contract. This will necessitate flexibility in both directions: fewer collections may be needed with successful increases to recycling, while more may be necessary if the rapid population growth continues.</p> <p>Timeframe for action: By early 2018</p> <p>Capital consideration: \$5000 for tender process (contractor)</p> <p>Operational consideration: To be determined with tender process</p>
1.2 Ensure service level matches community expectations	<p>A survey undertaken in 2017 found that the community was satisfied with the existing transfer station system. Council will ensure that this service continues to meet the needs of the community as the population grows and changes over time.</p> <p>Council will include in its annual community survey questions relating to the performance of, and satisfaction with, Council's waste management service. In the fifth year, another waste management specific survey, similar to the 2017 waste survey will be conducted to monitor Council's progress of its Waste Strategy and community perceptions and satisfaction in greater detail. Since the 2017 survey found a willingness for residents to respond to an online survey, this will be the primary method of delivery, and used to develop service levels in years 4 and 5.</p> <p>Timeframe for action: Yearly</p> <p>Capital consideration: Nil</p> <p>Operational consideration: \$5000 Year 4, \$2000 Year 5</p>
1.3 Develop Berry Springs and Howard Springs landfill remediation plans	<p>An old landfill site that is no longer in use exists at each of the Berry Springs and Howard Springs sites. At present, the sites have an interim cap of soil in place, and, at some point in time, landfill remediation will be needed. Council has considered this liability and determined that Council will first need to develop a landfill closure plan that estimates the capital costs associated with remediation, followed by investigation of funding options for implementation.</p> <p>Timeframe for action: Year 3 to 4</p> <p>Capital consideration: Nil</p> <p>Operational consideration: \$5000 for each closure plan (contractor)</p>
1.4 Continue free green waste disposal in November for 2018 to 2020	<p>After successful trials in 2016 and 2017, Council will continue to offer free green waste disposal during the month of November for three further years to encourage clean-ups before the cyclone season. This will be reviewed in 2021. Tonnages to the WTSs will be monitored to determine any long term financial and operational impacts.</p> <p>Timeframe for action: Year 1 to 3</p> <p>Capital consideration: Nil</p> <p>Operational consideration: \$5000 per year in forgone fees</p>

1.5 Prepare disaster waste plan for each site	<p>Council will work with Northern Territory Emergency Services and the Department of Infrastructure, Planning and Logistics (Engineering Group) to designate how and where waste will be stockpiled in the event of an emergency. This will be documented in a municipality disaster waste plan for each WTS.</p> <p>Timeframe for action: Year 2</p> <p>Capital consideration: Nil</p> <p>Operational consideration: \$5000 per site</p>
1.6 Unlock value in dry recyclables	<p>Recovery of dry recyclables such as paper, cardboard, plastics and glass is currently performed at a cost to Council; this covers the collection and processing at a materials recovery facility. The recyclables have value, but this is dependent on effectiveness of separation of items.</p> <p>Council will first need to boost recycling tonnages and secondly identify an incentive that encourages residents to spend the time necessary to separate the recyclables into individual bins. With recyclables separated, Council will be able to negotiate a more favourable collection price, which should result in a lower expenditure for the waste service.</p> <p>Council will explore opportunities for reuse of recycled materials collected, examining business cases for recycling particular products on site for resale and reuse, including partnering with businesses and/or neighbouring Councils. In particular, Council will investigate the potential to recycle glass for local reuse, including potential funding options.</p> <p>Should the costs/benefit analysis of a recycling shed or shelter be favourable, and funding be available, Council will seek to lift recycling rates through providing a purpose-built recycling shed at one or more of the transfer stations.</p> <p>Timeframe for action: Year 2 to 3</p> <p>Capital consideration: \$40 000 for a cost/benefit analysis Construction cost – to be determined</p> <p>Operational consideration: To be determined</p>

2 Reduce waste to landfill

Measured by: The amount of dry recyclables collected is >15% of the waste sent to Shoal Bay

2.1 Conduct waste audits	<p>Waste audits are the first step necessary for Council to quantify the amount of recyclables and food waste being sent to landfill. At Litchfield, this would be achieved by diverting randomly selected vehicles to a separate tipping area where the loads can be visually inspected.</p> <p>Timeframe for action: Year 1 and 4</p> <p>Capital consideration: Nil</p> <p>Operational consideration: \$15 000 per audit (contractor)</p>
2.2 Implement incentives to boost recycling at each WTS	<p>The waste community survey found that nearly 70% of residents preferred the current waste service provided through the transfer stations over a Council-run kerbside collection.</p> <p>70% also believed recycling was very important; however the low capture rate of household dry recyclables relative to other jurisdictions indicates that either disposal of recyclable material as general waste is too easy or recycling is too hard.</p> <p>Council will first try to boost recycling using the current infrastructure. This is important as past upgrades to Humpy Doo have not resulted in a noticeably better capture of household recycling then Howard Springs or Berry Springs.</p> <p>The waste audits will shed light on how materials are arriving at WTSs and whether Council can add additional infrastructure to encourage recycling.</p> <p>Council will trial a mixture of incentives over a six-month period to see which incentives promote the greatest increase in recycling. Should it be found that recycling is significantly improved by providing covered facilities, such as a shed, then the costs and benefits of such a purpose-built structure will be considered at the conclusion of the trial.</p> <p>Timeframe for action: Year 2 to 3</p> <p>Capital consideration: \$20 000</p> <p>Operational consideration: \$80,000 for staff and materials</p>
2.3 Support separation of recyclables at home	<p>The waste community survey found that when residents recycle, over 90% do the separation at home.</p> <p>Council requires two further pieces of information from the waste audits in order to best support residents: the types of recyclables that are going to landfill and how recyclables are being delivered to the WTSs (such as in garbage bags mixed in with waste or separated in plastic containers).</p> <p>Any further action Council takes will be informed by the audit results. Education material will be developed based on the types of recyclables that are being landfilled and Council will examine if providing dedicated recycling containers is likely to help residents.</p> <p>Timeframe for action: Year 2</p> <p>Capital consideration: Nil</p> <p>Operational consideration: \$20,000 for educational materials and recycling containers</p>

2.4 Support food waste management at home	<p>Council will first determine the amount of food present in household waste using the audits. Any further action Council takes will be informed by the audit results. If there is only a small amount of food waste, Council will attempt to remove barriers to composting by arranging how-to workshops and providing pamphlets to transfer station users.</p> <p>If the audit finds large amounts of food waste, then Council will investigate the benefits of providing information about home composting kits.</p> <p>Timeframe for action: Year 2</p> <p>Capital consideration: Nil</p> <p>Operational consideration: \$5000 for development of educational materials</p>
2.5 Invest in waste education	<p>Planned changes arising from this Strategy will require the allocation of additional education resources beyond the capacity of existing staff. Council will investigate external funding options such as through the NT EPA (grants up to \$20,000); however this funding is project based and not recurrent.</p> <p>Timeframe for action: Year 3</p> <p>Capital consideration: Nil</p> <p>Operational consideration: \$5000</p>
2.6 Rename Waste Transfer Stations	<p>Council will seek to re-brand the transfer stations as Recycling and Waste Centres, to represent a shift towards a more sustainable future.</p> <p>While the transfer stations primarily act to transfer waste from the user to Council with eventual disposal to landfill, there is already a considerable amount of recycling occurring, for example with concrete and green waste. These materials are processed on site at Humpty Doo and then on-sold. In this sense, the transfer stations act to recover resources as much as handling waste.</p> <p>Council will seek to re-brand the transfer stations as Resource Recovery Centres, to represent a shift towards a more sustainable future. Branding can assist in influencing community thinking and behaviour.</p> <p>Timeframe for action: Year 5</p> <p>Capital consideration: \$5000</p> <p>Operational consideration: Nil</p>
2.7 Investigate potential for a social enterprise to operate a dump shop	<p>One way of reducing rubbish to landfill is to allow the public to reclaim usable items from one another through the development of a "dump shop". Council will investigate the potential for a social enterprise to be set up at Humpty Doo WTS as a dump shop, including potential funding for any required capital works.</p> <p>Timeframe for action: Year 4</p> <p>Capital consideration: Nil</p> <p>Operational consideration: \$10,000 for business care</p>

3 Reduce incidence of dumped rubbish and litter

Measured by: Baseline established of the incidence of illegal dumping

3.1 Establish and engage with community action group

With the recent expansion of Coolalinga shopping precinct and the establishment of fast food outlets, Council has witnessed a rise in roadside littering from labelled food and beverage containers. This is expected to rise further when additional fast food outlets are opened.

Council will establish a stakeholder working group to identify measures to reduce the incidence of such littering and engage with fast food outlets to determine the role they may play. The group will also consider other forms of roadside littering and identify ways to better control its occurrence.

Timeframe for action: Year 5

Capital consideration: Nil

Operational consideration: \$5000

3.2 Establish by-laws regarding litter and illegal dumping

Council does not currently have by-laws in place to pursue and prosecute littering and illegal dumping. In addition, illegal dumping often occurs on Crown land, which is not within Council's jurisdiction or responsibility.

Council will work on establishing amenity protection by-laws providing Council with greater enforcement ability.

Timeframe for action: Year 3 to 4

Capital consideration: Nil

Operational consideration: Nil

4 Maintain overall customer satisfaction

Measured by: >95% of residents think the service provided by transfer stations is satisfactory or greater.

4.1 Implement remaining operational changes at Berry Springs

In 2016, Council established a community working group for the Berry Springs WTS to guide the implementation of improvements based on a recent audit. Several improvements were completed with further actions to explore.

Berry Springs WTS is currently not staffed fulltime, with a presence only in the early mornings and the afternoons. Berry Springs WTS is open one hour longer each day than Council's other two transfer stations, closing at 7pm seven days a week.

The opening hours should be brought in line with Council's other transfer stations as part of providing adequate staffing and continuous supervision.

Secondly, a gatehouse or some other structure that enables monitoring of vehicle numbers and waste tonnages, as well as providing on-site facilities for staff, should be installed.

Council will also need to determine the feasibility of connecting the gatehouse to utility services such as power and water or whether the site is best serviced from off-grid power and water. A power line is located on the northern side of Cox Peninsula Road and there is no mains water nearby. The likelihood of establishing a suitable water bore is low.

Timeframe for action: Year 1

Capital consideration: \$30 000 for gatehouse
\$100,000 for mains power connection, water tank

Operational consideration: Nil

4.2 Improve container deposit drop-off point at Humpty Doo

There is one drop-off location in the Litchfield municipality, on Spencely Road just south of the Humpty Doo WTS, where residents can claim the 10c rebate from the Container Deposit Scheme (CDS).

Council currently accepts (at no charge), containers eligible for the deposit and collects the deposit from a third party when Council takes the containers to that facility.

The revenue from this practice amounts to around 10,000-\$15,000 per year and this is returned to the community through Council's Community Grants Scheme.

Recently, a private enterprise explored establishing a private facility in Humpty Doo and this is expected to commence operation mid-November 2017.

Council has several options, including:

- Formalise a drop-off point at the transfer station and offer the CDS to residents, potentially competing with any private operator offering a CDS drop-off facility; or
- Continue to receive eligible containers for free and rely on the convenience to residents of a one-stop drop off for all wastes at the transfer station. The drop-off point could be enhanced with educational material about the benefits to the community of people providing containers to Council for free, rather than using a different facility in return for cash.

In the case of the first option, the revenue for Council's Community Grant Scheme could be compromised. In the case of the second option, Council will see a lower influx of containers, but will be able to retain all the revenue generated. It is anticipated that the second option will be more viable for Council and beneficial for residents wishing to recycle containers eligible for deposit.

Timeframe for Action: Year 1

Capital Consideration: Nil

Operational consideration: dependent on option selected

4.3 Develop branding for grants awarded from CDS revenue	<p>The annual CDS rebate paid to Council is in the \$10,000-\$15,000 range. These funds support Council's Community Grants Scheme providing funds to local community groups.</p> <p>Depending on the future potential impact to this revenue, as outlined in Item 4.2, Council will be able to develop branding to be used with the grants to help spread the recycling message and engage the community. The branding will link community efforts with recycling to helping make Litchfield "the best place to live in the Top End."</p> <p>Timeframe for Action: Year 1</p> <p>Capital Consideration: \$1500 for graphic design and printing</p> <p>Operational consideration: Nil</p>
4.4 Improve WTS safety	<p>Council will conduct regular audits at all three transfer stations for public and staff safety to identify improvement opportunities.</p> <p>Timeframe for Action: Year 1 to 2</p> <p>Capital Consideration: \$10 000 for WHS review</p> <p>Safety improvement costs to be determined</p> <p>Operational consideration: Nil</p>
4.5 Review master planning for Howard Springs, Humpty Doo and Berry Springs	<p>Population growth in Howard Springs, Humpty Doo and Berry Springs will place additional demand on these transfer stations, particularly at the general waste disposal area.</p> <p>Council will monitor the peak flows of traffic to ensure that tipping times remain reasonable, as well as the frequency of removal of full bins from the site to landfill.</p> <p>Where it is found that the sites are nearing operational capacity, following local population increases, Council will investigate options to expand or reconfigure the sites to maintain service levels.</p> <p>Timeframe for Action: Year 5</p> <p>Capital Consideration: Nil</p> <p>Operational consideration: \$30 000 to investigate reconfiguration of sites</p>
4.6 Improve WTS amenity	<p>Council wants to create a 'look and feel' to the transfer stations that conveys sustainability and the ethos associated with recycling.</p> <p>This will involve the use of vegetation and custom artwork created from reused materials.</p> <p>As residents frequently use the transfer stations, there is also an opportunity to trial a community purpose garden at Humpty Doo. Feedback from the trial can be adopted into any plan to replicate a garden at other sites.</p> <p>Timeframe for Action: Year 3 to 5</p> <p>Capital Consideration: \$10,000 for each transfer station</p> <p>Operational consideration: Nil</p>

5 Advocate on behalf of the community

Measured by: Increased profile of Litchfield waste management and support from other levels of government

5.1 TOPROC development of emergency waste facility

TOPROC has been advocating for a landfill to be developed in the Litchfield Municipality for some years.

An emergency waste management site is urgently required for the Top End based on the limited capacity of the Shoal Bay to manage a natural disaster. Experience in other states, such as Queensland, have highlighted the importance of such a facility in the event of a major disaster.

In the long term, Council's objective is for such a facility to be expanded as a fully working landfill. This would provide employment opportunities and potentially reduce the haulage and disposal costs for waste disposal.

The approval and construction of such an emergency site will be in partnership with the Northern Territory Government.

Council will use its advocacy role to promote the benefits of a second landfill servicing the Top End.

Timeframe for Action: Ongoing

Capital Consideration: Nil

Operational consideration: Staff time to attend TOPROC meetings

5.2 Product stewardship

There are several industry-led product stewardship schemes to ensure products are diverted from landfill and disposed of safely. These product schemes at present include e-waste, tyres, batteries and paints.

Council has recently partnered with TechCollect to collect e-waste at the Humpty Doo WTS and will investigate the potential to expand this service to Berry Springs and Howard Springs. Council pays to have tyres collected at Humpty Doo to be recycled; batteries are sold for recycling. Council is investigating participation in the Paintback scheme to collect unwanted paint. However, due to the lack of economies of scale, these schemes are generally not as available in the Territory. Council will advocate for additional future product stewardship schemes to be made available in regional areas.

Timeframe for Action: Ongoing

Capital Consideration: Nil

Operational consideration: Nil

5.3 Open dialogue with businesses

Coolalinga has seen rapid growth in fast food restaurants and supermarkets. Increasing amounts of food is packed in disposable containers of waxed cardboard or polystyrene, which present littering and recycling challenges.

Council will work with business owners in the municipality to find out what current limitations exist around recycling. Businesses that are successfully recycling can be promoted to residents.

Timeframe for Action: Ongoing

Capital Consideration: Nil

Operational consideration: Nil

5.4 Waste Planning for Urban Land Release	<p>In the coming years, Litchfield will see an increase in the number of urban style lots in new suburbs such as Holtze. There may be an expectation from new residents in urban settings, for municipal waste services, such as kerbside collection.</p> <p>Council will track the number of urban lots being released and monitor development.</p> <p>Council will need to work with the NT Government on the development of any new suburbs and ensure that appropriate waste management is provided.</p> <p>Timeframe for Action: : Year 2 to 4</p> <p>Capital Consideration: Nil</p> <p>Operational consideration: Staff time for consultation</p>
5.5 Appropriate disposal of hazardous waste	<p>Various types of waste that pose different levels of hazards to the community, such as asbestos and nuclear waste, are generated and collected throughout the municipality and Top End. There is some interest in the suitability of the long-term storage of these materials. Council will advocate to the NT Government for appropriate disposal of hazardous waste, including long-term storage.</p> <p>Timeframe for Action: : Ongoing</p> <p>Capital Consideration: Nil</p> <p>Operational consideration: Nil</p>



Review and improvement

In any long-term strategy, there is a need to review actions regularly and measure progress in achieving objectives.

The Waste Strategy includes flexibility to respond to changing waste disposal trends, more pronounced population changes and other matters not fully seen or understood at this point.

Council reviews its 2016-2020 Strategic Plan regularly and each year prepares its Municipal Plan (annual business plan). Given the Waste Strategy will work in alignment with both the Strategic Plan and the Municipal Plan, any significant changes in Council's strategic direction may trigger a review of our Waste Strategy.

On an annual basis, Council will undertake the following:

- Review the results of the actions undertaken the previous year in the effectiveness against the waste objectives.
- Consider any regional or national waste data that may point to a shift in waste management habits, changes in waste treatment technologies or changes to operational costs and external fee structures.
- Consider community feedback collected as part of Council's annual community survey and, later, the waste management survey.
- Consider any changes to external funding programs or improved alignment of Council's waste management activities to funding programs.



What's next?

Council is keen for the community to see our waste strategy in action, so we will be providing regular updates on our website and through social media of key actions and achievements. Any key changes on the ground will be explained to the community ahead of time.



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COUNCIL AGENDA

LITCHFIELD ORDINARY COUNCIL MEETING

Tuesday 16 November 2021

15 Other Business

16 Confidential Items

Pursuant to Section 93 (2) of the Local Government Act and Regulation 51 of the Local Government (General) regulations the meeting be closed to the public to consider the following Confidential Items:

16.01 Award Period Contract - RFT21-284 Sealed Pavement Maintenance

8(c)(i) information that would, if publicly disclosed, be likely to cause commercial prejudice to, or confer an unfair commercial advantage on, any person.

17 Close of Meeting