

2 August 2017

**MAYOR
COUNCILLORS
CITY OF MOUNT GAMBIER**

NOTICE is given that the Environmental Sustainability Sub-Committee will meet in the following Meeting Room on the day, date and time as follows:

Environmental Sustainability Sub-Committee
(Conference Room - Level 1):

Tuesday, 8 August 2017 at 8:15 a.m.

An agenda for the meeting is enclosed.



Mark McSHANE
CHIEF EXECUTIVE OFFICER

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AGENDA OF ENVIRONMENTAL SUSTAINABILITY SUB-COMMITTEE MEETING

Meeting to be held in the Conference Room, Civic Centre, 10 Watson Terrace, Mount Gambier on
Tuesday, 8 August 2017 at 8:15 a.m.

PRESENT Mayor Andrew Lee

Cr Des Mutton
Cr Ian Von Stanke
Cr Penny Richardson
Cr Sonya Mezinac

COUNCIL OFFICERS	Chief Executive Officer	- Mr M McShane
	General Manager Community Wellbeing	- Ms B Cernovskis
	General Manager Council Business Services	- Mrs P Lee
	General Manager City Growth	- Dr J Nagy
	General Manager City Infrastructure	- Mr N Serle
	Manager Governance and Property	- Mr M McCarthy
	Engineering & Design Contract Management	- Mr D Morgan
	Environmental Sustainability Officer	- Mr A Izzard
	Environmental Sustainability Officer	- Ms C Ron
	Administration Officer (City Infrastructure)	- Ms S Moretti

WE ACKNOWLEDGE THE BOANDIK PEOPLES AS THE TRADITIONAL CUSTODIANS OF THE LAND WHERE WE MEET TODAY. WE RESPECT THEIR SPIRITUAL RELATIONSHIP WITH THE LAND AND RECOGNISE THE DEEP FEELINGS OF ATTACHMENT OUR INDIGENOUS PEOPLES HAVE WITH THIS LAND.

1. APOLOGY(IES)

Apology(ies) received from Cr

That the apology from Cr be received.

Moved:

Seconded:

2. CONFIRMATION OF ENVIRONMENTAL SUSTAINABILITY SUB-COMMITTEE MINUTES

Meeting held on 7 February 2017.

That the minutes of the Environmental Sustainability Sub-Committee meeting held on 07 February 2017 be confirmed as an accurate record of the proceedings of that meeting.

Moved:

Seconded:

3. QUESTIONS

3.1. With Notice

Nil submitted.

3.2. Without Notice

4. DEPUTATIONS

Nil



5. ENVIRONMENTAL SUSTAINABILITY SUB-COMMITTEE REPORTS

Environmental Sustainability Sub-Committee Reports commence on the following page.



5.1. Review of Environmental Sustainability Sub-Committee Terms of Reference - Report No. AR17/29558

COMMITTEE	Environmental Sustainability Sub-Committee
MEETING DATE:	8 August 2017
REPORT NO.	AR17/29558
RM8 REFERENCE	AF12/377
AUTHOR	Aaron Izzard
SUMMARY	Council requires the Environmental Sub-Committee to review its Terms of Reference. An updated Terms of Reference is attached to this report. Quarterly meetings of the Sub-Committee are recommended.
COMMUNITY PLAN REFERENCE	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage

REPORT RECOMMENDATION
<p>(a) That Environmental Sustainability Sub-Committee Report No. AR17/29558 titled '<i>Review of Environmental Sustainability Sub-Committee Terms of Reference</i>' as presented to the Environmental Sustainability Sub-Committee on 8 August 2017 be noted.</p> <p>(b) That Council adopt the updated Environmental Sustainability Sub-Committee Terms of Reference 2017.</p> <p>(c) The Environmental Sustainability Sub-Committee change its meeting frequency to quarterly, with the ability to call special meetings outside of this timing as required. These meetings should be scheduled for the 1st Tuesday in February, May, August and November.</p>

Moved:

Seconded:



Background

At the 20 June 2017 Council meeting Council passed the following resolution:

- “(b) That the existing Sub-Committees comprising:*
- Community Engagement and Social Inclusion, and*
 - Environmental Sustainability*
- be affirmed as part of Council’s Decision Making Structure reporting to Council through the Operational Standing Committee.*
- (c) That the Sub-Committees affirmed at resolution (b) shall have no delegation to act with all recommendations being considered and presented through the Operational Standing Committee to Council for final decision and resolution.*
- (d) That the Sub-Committees affirmed at resolution (b) review their Terms of Reference for presentation through the Operational Standing Committee to Council for consideration.*
- (e) That ordinary and/or special meetings of the Sub-Committees affirmed at resolution (b) be scheduled taking into account the availability and convenience of Members of the Sub-Committees.*
- (f) That the Councillor Membership of the Sub-Committees affirmed at resolution (b) shall remain as they are currently.*
- (g) That the Community Membership of the Sub-Committees affirmed at resolution (b) be reviewed by the Sub-Committees for the presentation of recommendations to the Operational Standing Committee and Council to address the filling of vacant positions.”*

As such, the Environmental Sustainability Sub-Committee (ESSC) Terms of Reference (TOR) will be reviewed for presentation through the Operational Standing Committee to Council for consideration.

With regards to community membership of the ESSC, the ESSC has always consisted exclusively of elected members. It is seen as appropriate that only members elected by the community have voting rights to direct the work of the ESSC. At the Council meeting of 16/06/2015 Council resolved to confirm this and remove the reference to community members in the TOR. Having said this, the TOR allows the ESSC to co-opt expert community members on an as-needs basis. This way, expertise can be drawn on for specific topics for a defined period of time.

Discussion

The ESSC TOR were last reviewed and adopted in June 2015. These TOR are being used as a basis for the current review. Only minor changes are being recommended, namely including references to the Community Plan and Council’s new decision making structure.

In terms of timing and frequency of meetings, the way that environmental projects tend to work is that they do not require decisions to be made every month. It is deemed sufficient to have quarterly meetings. If a meeting is required outside of this timing then a special meeting can be called, as outlined in the TOR.



Conclusion

It is recommended that Council adopt the updated ESSC TOR, and also adopt a frequency of quarterly meetings for the ESSC. Members of the ESSC should determine the day of the week and time for the quarterly ESSC meetings.

Attachments

[Attachment 1 \(AR17/29681\): Environmental Sustainability Sub-Committee Terms of Reference 2017](#)



Aaron Izzard
ENVIRONMENTAL SUSTAINABILITY OFFICER



Barbara CERNOVSKIS
GENERAL MANAGER COMMUNITY WELLBEING

4 July 2017
SM



5.2. Kitchen Caddy Trial Assessment 2017 Report No. AR17/29559

COMMITTEE	Environmental Sustainability Sub-Committee
MEETING DATE:	8 August 2017
REPORT NO.	AR17/29559
RM8 REFERENCE	AF11/408
AUTHOR	Aaron Izzard
SUMMARY	In May 2017 City of Mount Gambier staff conducted a waste audit to assess the performance of the large kitchen caddy trial that commenced in June 2016. A follow up survey was also conducted. The results indicate that residents are beginning to utilise the kitchen caddy system for food waste. However, there is still a significant amount of food waste in rubbish bins.
COMMUNITY PLAN REFERENCE	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage

REPORT RECOMMENDATION
<p>(a) That Environmental Sustainability Sub-Committee Report No. AR17/29559 titled <i>'Kitchen Caddy Trial Assessment 2017'</i> as presented to the Environmental Sustainability Sub-Committee on 8 August 2017 be noted.</p> <p>(b) That Council prominently promote a no food waste in rubbish bins message.</p> <p>(c) That Council work towards rolling out the kitchen caddy system to all Green Organics subscribers, commencing in the 2018-2019 financial year, including stocking replacement compostable bags.</p> <p>(d) That Council investigate establishing a “Compost Rebate Program”, to commence in the 2018-2019 financial year.</p>

Moved:

Seconded:



Background

Over a two week period in May 2017 City of Mount Gambier staff conducted a waste audit of household rubbish and organics bins. The purpose of the audit was to assess the performance of the large kitchen caddy trial that commenced in June 2016. It also served to assess what Mount Gambier residents are doing well, and where improvement needs to be made in relation to the way we manage our waste.

Over the two weeks, 30 household general rubbish, and 30 organic waste bins were audited. The contents of each was sorted by hand (tongs). Bins were randomly selected and sorted in large batches, preserving anonymity.

A follow up survey was also conducted via Have Your Say, to gauge ongoing use and feedback regarding the kitchen caddies.

Discussion

Results

Bin Audit Results

Green Organics

- There was almost double the percentage of food waste in the green organics stream compared to the 2016 audit – 3.1% vs 1.7%. If this figure is corrected to account for the greater amount of lawn clippings contained in the 2017 audit compared to 2016, then the percentage of food scraps increases to 4.8%, almost three times the amount in 2016. A positive result.
- There was less contamination than 2016 – 0.1% in 2017 compared to 0.8% in 2016 (both are very good results).
- Compostable bags were detected in the green organics stream, a positive sign.

Rubbish

- There was a similar percentage of food scraps to 2016 – 36.9% in 2017 compared to 35.5% in 2016.
- The amount of recyclables in the general rubbish stream was slightly less than 2016 – 20.8% in 2017 compared to 25.2% in 2016.



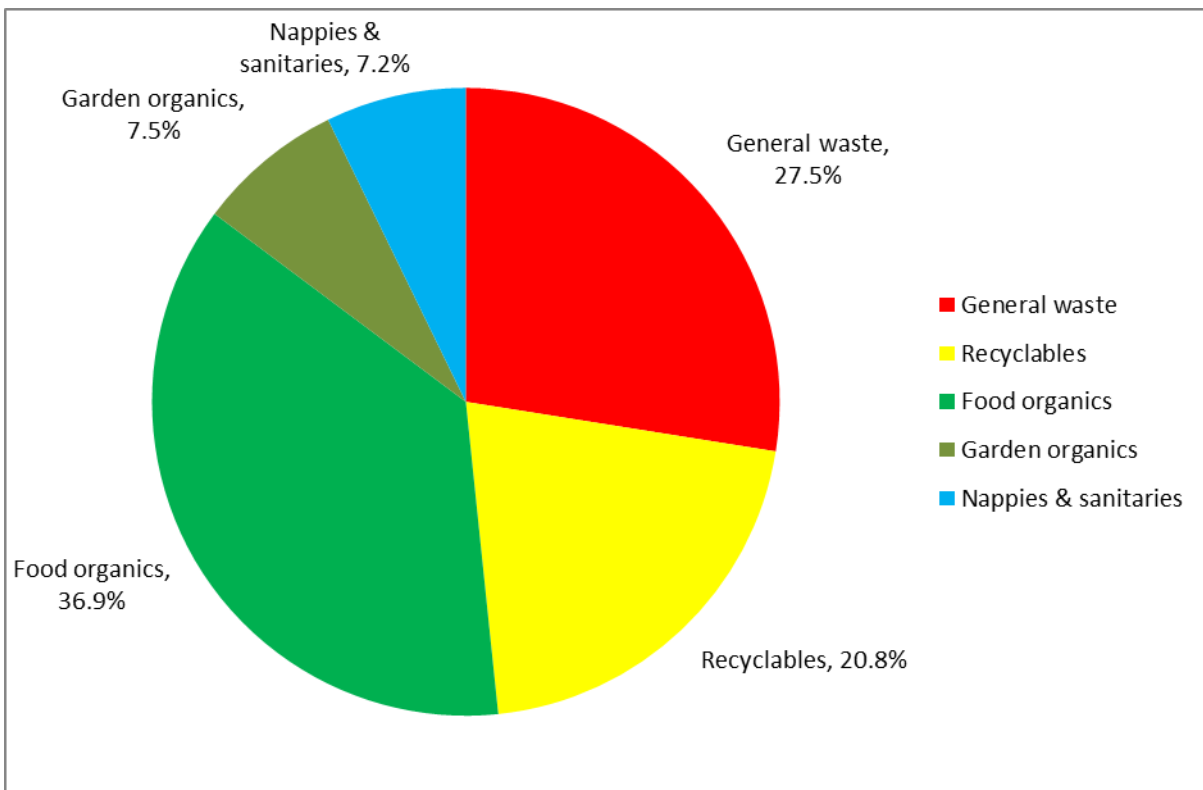


Figure 1: General Rubbish results from the May 2017 audit.

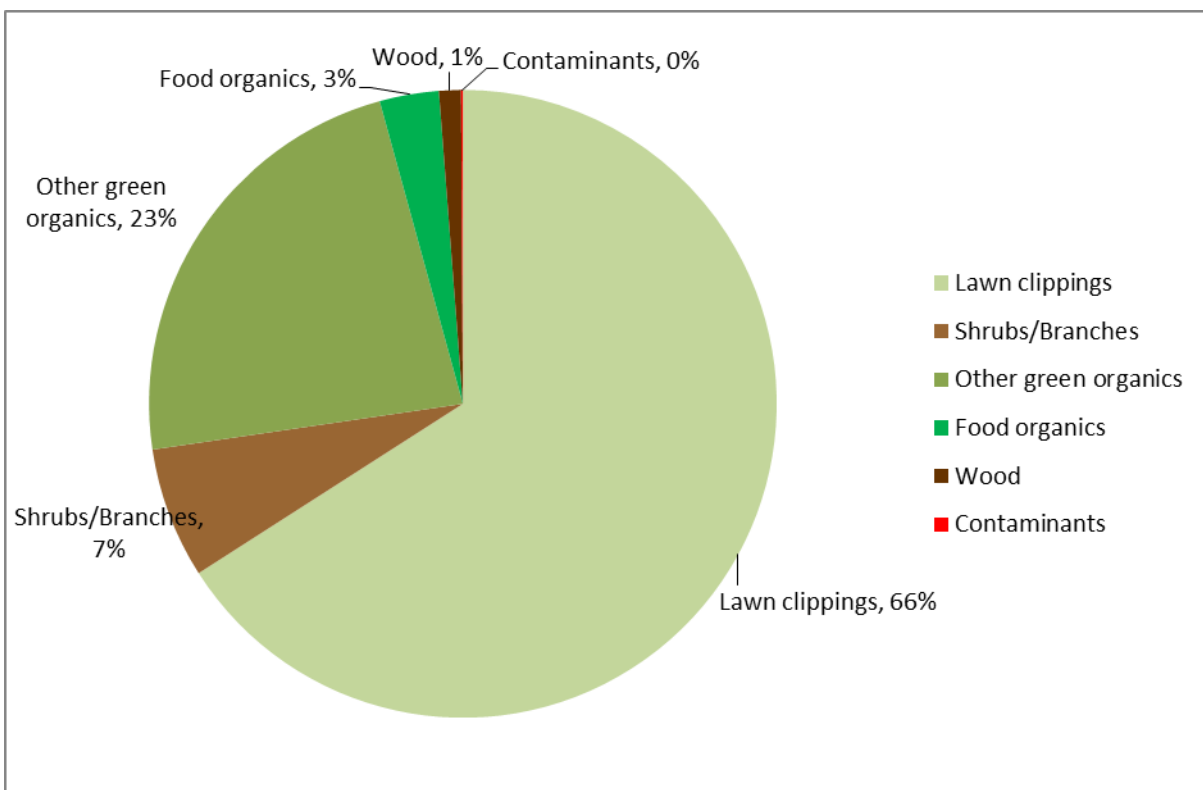


Figure 2: Green Organics results from the May 2017 audit.



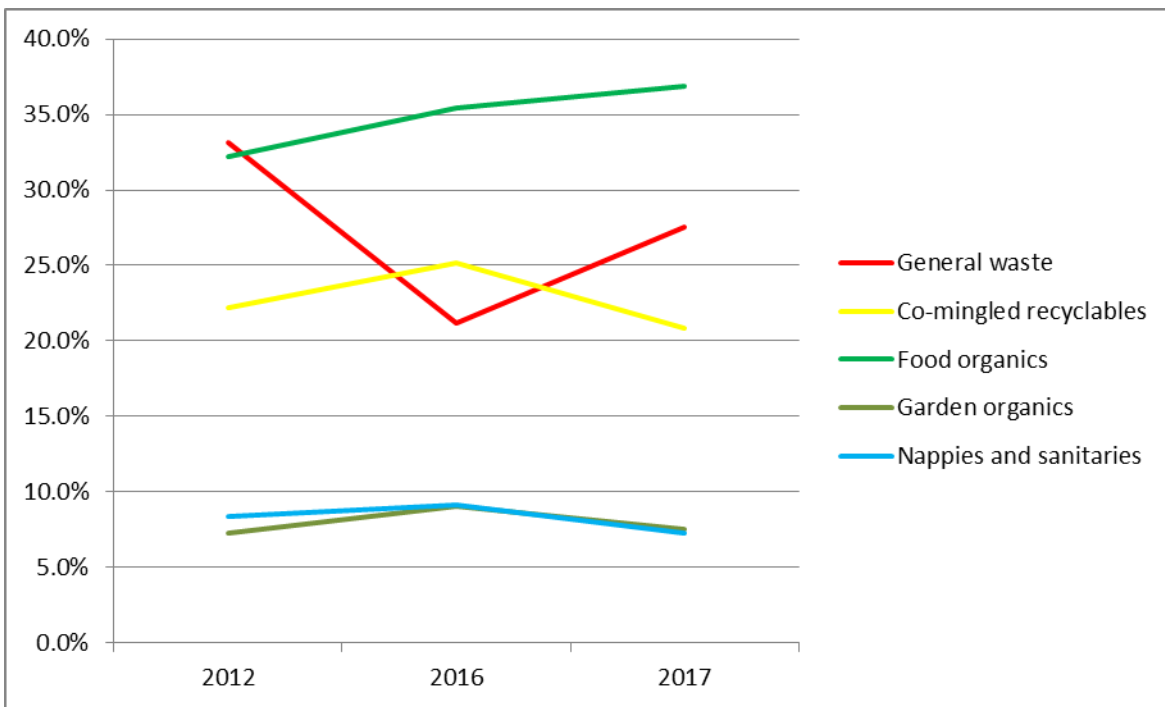


Figure 3: Trend in General Rubbish contents over time.

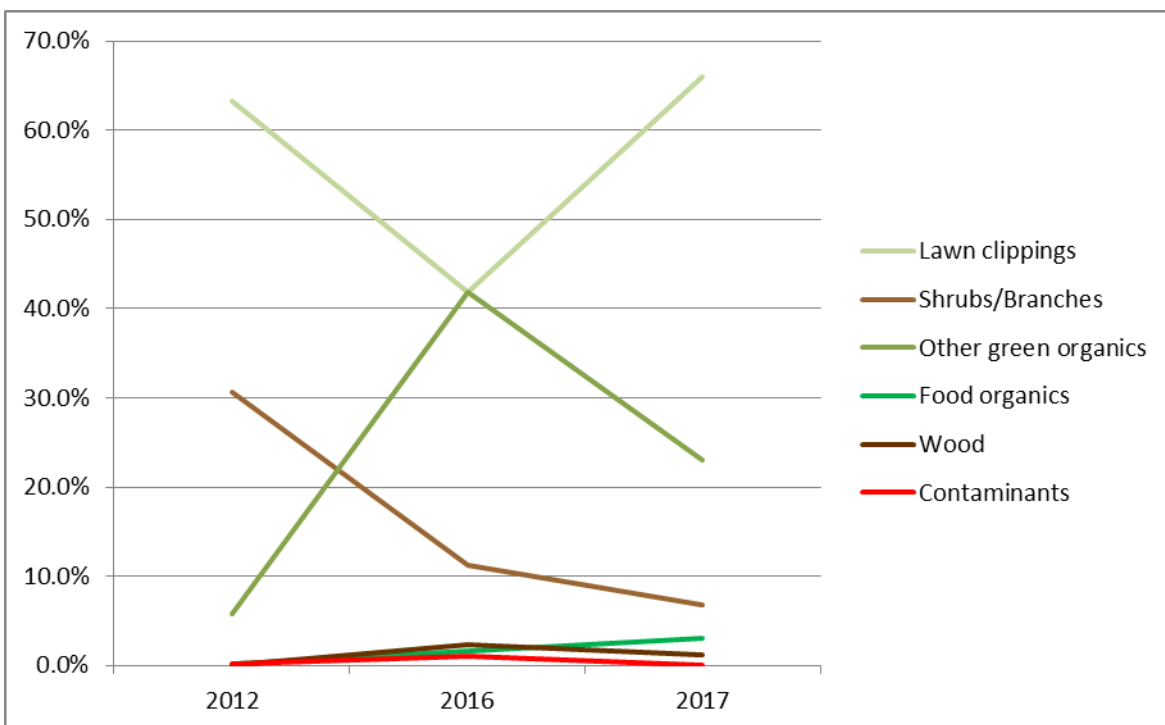


Figure 4: Trend in Green Organics contents over time.

Survey Results

Was the information provided on how to use the caddy clear?

Yes – 100%

No – 0%



Are you still using it for food scraps?

Yes – 100%

No – 0%

Do you still have any of the original roll of compostable bags?

Yes – 65%

No – 35%

Did you get replacement bags?

Yes – 63%

No – 37%

When the supplied bags run out, do you intend on sourcing more?

Yes – 100%

No – 0%

Are you aware of where to source replacement bags?

Yes – 67%

No – 33%

Some feedback from the survey:

“This is such a great way to divert food waste from landfill. I find that my general waste bin is now much lighter and does not get full at all. If possible I would opt to get my general waste bin collected fortnightly as my family does not fill it up weekly. It is such a great initiative and hope that all households in the city will eventually have an organics bin.”

“Will be trying to order some new bags. Are they available for purchase from Council? If not, could Council stock them?”

There was some confusion amongst some respondents as to where to get replacement compostable bags. This information was clearly stated on the flyers that were distributed with the caddies, but some people may not have retained the flyer.

Bin Audit Results

In terms of the Kitchen Caddy trial it was definitely a positive result. There was almost three times the amount of food scraps than before the trial. This, along with the presence of compostable bags, indicates that some residents are using the kitchen caddy system, and putting their food scraps in their Green Organics bin. This increase of food scraps in the Green Organics is encouraging.

The very low level of contamination in the Green Organics stream, and even the reduction on 2016 results, is also encouraging.

The reduction in recyclables in the General Rubbish stream is a positive result. However, the amount of food scraps in General Rubbish is still high at 36.9%, and is actually the largest waste category within the General Rubbish stream, as it was in 2016.



Survey Results

Survey respondents were generally happy with the kitchen caddies, and the information provided with them. Most were still using the kitchen caddy after more than 6 months from receiving it.

There was some confusion as to where to get replacement bags. This could be address by Council stocking replacement bags. Also, if kitchen caddies are rolled out again then a line should be included on the kitchen caddy sticker regarding where to source replacement compostable bags.

Conclusion

The results from the 2017 audit and survey are encouraging, and demonstrate that residents are embracing and utilising the kitchen caddy system to divert food waste away from landfill. However, given that there is still a significant amount of food waste in rubbish bins, there is still a lot of work to do.

Food waste in landfill is a huge issue. Mount Gambier alone sent over 2,200 tonnes of food waste to Caroline Landfill in 2015-2016. When food organics rot in landfill they create methane, a potent greenhouse gas that is 25 times stronger than carbon dioxide. In 2016 Caroline Landfill emitted over 9,900 tonnes of greenhouse gases into the atmosphere. Food waste also creates leachate, which has the potential to contaminate groundwater.

Council needs to prominently promote a no food waste in rubbish bins message. Reducing the amount of food waste in rubbish bins will not only reduce greenhouse gas emissions from landfill, it will save landfill air space, reuse a valuable resource, and ultimately save Council and the community money.

In line with previously identified organic waste modelling, Council should work towards rolling out the kitchen caddy system to all Green Organics subscribers, commencing in the 2018-2019 financial year. Council should stock the compostable bags to make it easy for residents to get more when they run out.

Council should also investigate establishing a “Compost Rebate Program”, where residents can claim a rebate after purchasing a compost bin, worm farm or bokashi bucket. This type of program operates in other LGAs e.g. City of Casey. This will enable willing residents to manage their food waste at home.

Council has 310 rolls of compostable bags in stock. It is proposed to give these out to green waste re-subscribers who need replacement bags. Recipients will be asked to complete a short evaluation form in order to do further evaluation of the kitchen caddy program.

Attachments

Nil





Aaron IZZARD
ENVIRONMENTAL SUSTAINABILITY OFFICER



Barbara CERNOVSKIS
GENERAL MANAGER COMMUNITY WELLBEING

26 June 2017
SM



5.3. Mount Gambier Reuse Market – Smart Cities Application Report No. AR17/29560

COMMITTEE	Environmental Sustainability Sub-Committee
MEETING DATE:	8 August 2017
REPORT NO.	AR17/29560
RM8 REFERENCE	AF14/34
AUTHOR	Judy Nagy
SUMMARY	Update on initiatives to use the Reuse Market (Salvage Yard) as a sustainability and Smart City icon in the region.
COMMUNITY PLAN REFERENCE	Goal 3: Our Diverse Economy
	Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage

REPORT RECOMMENDATION
(a) That Environmental Sustainability Sub-Committee Report No. AR17/29560 titled ' <i>Mount Gambier Reuse Market – Smart Cities Application</i> ' as presented to the Environmental Sustainability Sub-Committee on 8 August 2017

Moved:

Seconded:



Background

In April 2017, Council resolved the following;

“(b) Council recognise the substantial benefits in the provision of a salvage yard facility for the Mount Gambier Community and now proceed to undertake detailed design and costing for the facility in line with this (AF14/34) report”

All four General Managers have collaborated to prepare an application for Smart Cities funding that promotes internal Council efficiencies utilizing innovative sensor equipment. It is intended that the salvage yard become known as the “Mount Gambier Reuse Market” and that, in addition to the functions already proposed, that the location becomes a pilot area for better understanding how the new digital equipment could be used to improve Council operations. The funding application is for the ‘added features’ that will need to be purchased, installed and producing data that will need analysis. We will also need to ensure that the components are capable of being integrated into operations without compromising IT systems. If successful, the Smart Cities application provides the opportunity to trial technologies and to share the knowledge across other councils and various industry sectors.

Should the application be unsuccessful, we will progress with development of the Reuse Market as previously planned. When the grant application was submitted the facility was referred to as the “Recycle and Reuse Centre (RRC)”. The title “Mount Gambier Reuse Market” has been selected in order to appeal to a broader section of the community. The word ‘market’ implies vibrancy and also purchasing items. The word ‘reuse’ captures what Council is trying to achieve at the site more than other words, and it does not have any rubbish/garbage connotations.

Discussion

Key elements of the submitted grant application for a *Recycling and Reuse Centre - City of Mount Gambier* are as follows.

The Reuse Market will utilize sustainable practices in development, construction and operation and utilize smart technologies to become a pilot site for technological and environmental waste applications as both a practical and educative facility. Emerging data will be shared with the public, community agencies local businesses and other regional councils.

The proposed Reuse Market will champion innovative design, development and operation that will provide information of benefit to internal and external stakeholders and will include

- Diversion of waste from landfill through beneficial reuse and recycling. Currently 20,000 tonnes of waste from across the region is delivered to landfill.
- Become a pilot site for the application and demonstration of smart sensor technologies. The use of smart lighting, CCTV, motion sensing, bin sensors and associated data analytics, will demonstrate how use of such equipment in council operations can enhance efficiencies and save resources. They may also be translatable to agriculture and industry contexts.
- Demonstrate water and energy efficient operational technologies.
- Become a hub for community and school education, through workshops and talks teaching people how to recycle, reuse and repair items, rather than adding to landfill.
- Provide the disadvantaged with low cost products for purchase.

The Smart Cities Grant Application focusses on the incorporation of a smart technology ecosystem into the Reuse Market including:

- CCTV including video analytics;



- Bin fill-level sensors for the management of onsite bins;
- Inventory management system to intelligently manage stock;
- LED lighting throughout the site; and
- WiFi network for use by the onsite technology suite, as well as customers.

The Reuse Market has great potential to be a sustainability icon for the Council and incorporating Smart Technologies aligns well with the *Building a Connected Regional City Digital Strategy* endorsed in November 2016.

Conclusion

The application has received strong endorsement from the Limestone Coast Local Government Association (LCLGA) as no other council in the region has thus far utilized smart technologies of the type to be piloted. We have a potential technology partner who has provided significant input into the grant application and we believe that there is much knowledge that could be gained from elevating the Salvage Yard to a ‘showcase’ recycling and reuse centre, known as the “Mount Gambier Reuse Market”.

Attachments

[Attachment 1 \(AR17/29692\): Smart Cities and Suburbs Program Application – Mount Gambier Reuse Market](#)



Judy NAGY
GENERAL MANAGER CITY GROWTH



Barbara CERNOVSKIS
GENERAL MANAGER COMMUNITY WELLBEING

31 July 2017
SM



5.4. Mount Gambier Reuse Market – Design and Costing Details Report No. AR17/21856

COMMITTEE	Environmental Sustainability Sub-Committee
MEETING DATE:	8 August 2017
REPORT NO.	AR17/21856
RM8 REFERENCE	AF14/34
AUTHOR	Daryl Morgan
SUMMARY	<p>This report has been prepared for the purpose of providing detailed design and costing information on the proposed Mount Gambier Re-use Market at Eucalypt Drive.</p> <p>The intention of this report is to gain Council approval for the construction of the Mount Gambier Re-use Market as previously outlined in Environmental Sustainability Report 8/2017.</p>
COMMUNITY PLAN REFERENCE	Goal 2: Our Location

REPORT RECOMMENDATION
<p>(a) That Environmental Sustainability Sub-Committee Report No. AR17/21856 titled '<i>Mount Gambier Reuse Market - Design and Costing Details</i>' as presented to the Environmental Sustainability Sub-Committee on 8 August 2017 be noted.</p> <p>(b) That Council endorse the detailed design plans and cost estimates for the construction of a Mount Gambier Reuse Market at 3 and 5 Eucalypt Drive and proceed to construct this facility (within the limits of the 2017/2018 budget allocation of \$560,000) and with the facility being fully operational by October 2018.</p>

Moved:

Seconded:



Background

In April 2017, Council resolved the following;

“(b) Council recognise the substantial benefits in the provision of a salvage yard facility for the Mount Gambier Community and now proceed to undertake detailed design and costing for the facility in line with this (AF14/34) report.

(c) The costs of a salvage yard facility be referred to the 17/18 budget deliberations.”

Council now has an allocation of \$560,000 available within various budget lines in the 2017/2018 Budget for development of the Mount Gambier Re-use Market facility.

The plans and details attached to this report (Attachment 1) will provide Members with additional information to that of the original report on this project (Attachment 2).

This report is primarily focused on the design and costings of constructing the Mount Gambier Re-use Market facility (as requested by Council from the April 2017 resolution) as opposed to the operational matters associated with running a salvage yard or the environment benefits to be gained from the project which were covered in the previous report presented to Council in April 2017.

Discussion

Mount Gambier Re-use Market Layout:

The design of the Mount Gambier Re-use Market facility has two main components; namely the receive and sorting yard, and secondly, the display and sale yard.

The receive and sorting facility will be constructed adjacent to the weighbridge at the existing Waste Transfer Station (at 5 Eucalypt Drive) as this will enable all traffic to be directed through the Mount Gambier Re-use Market facility. This facility will consist of a 450m² colourbond shed with a verandah extending over two drop off lanes. Vehicles will enter the facility via the drop off lanes where salvageable items will be removed, sorted, stored and prepared for sale. The drop off area will have the capacity to service approximately 6 vehicles with trailers at any one time.

The re-usable items will then be transferred to the display and sale facility (Mount Gambier Re-use Market shop) at 3 Eucalypt Drive (former Gambier Contracts site) whereby they will be placed out for sale. The infrastructure build at this site will be minimal as the current site already provides the following **facilities**:

- amenities
- offices
- under cover shed of 525m² (approx.)
- outdoor display yard of 3000m² (approx.)
- onsite car parking

The majority of costs for 3 Eucalypt Drive will be in the supply of an outdoor covered storage area, some repairs / maintenance to the site and existing shed and fit out of the office space for a point of sale (shop front).

The dot points below are a summary of the major costs of this project based on the design details to date.



• Civil works - 5 Eucalypt Drive	\$112,000
• Shed construction - 5 Eucalypt Drive	\$274,000
• Fit-out - 5 Eucalypt Drive	\$39,000
• Shelter Construction - 3 Eucalypt Drive	\$55,000
• Site tidy up, fit out, conversion - 3 Eucalypt Drive	\$83,000
Total:	<u>\$563,000</u>

A number of the construction components will be undertaken by external contractors (i.e. shed manufacturers / suppliers) so until tenders are received for these components of the works, exact cost details will not be known. However, it is anticipated that the Council's allocation of \$560,000 will allow the construction of an operational salvage yard facility (utilising both 3 and 5 Eucalypt Drive) and for the facility to be up and operational by October 2018.

Conclusion

Council's budget allocation of \$560,000 will enable the construction of a Mount Gambier Re-use Market facility that will assist with the removal of material from ending up in landfill and will enable the re-use and/or recycling of such material.

The detailed designs presented in this report provide the most functional layout for the facility and that Council has the necessary budget for construction.

Based on the details contained in this report, it will be recommended that Council proceed to construct a Mount Gambier Re-use Market facility at the Eucalypt Drive waste management precinct.

Attachments

[Attachment 1 \(AR17/28373\): Plans and Details](#)

[Attachment 2 \(AR17/28374\): Operational Services Report 8/2017](#)



Daryl MORGAN
MANAGER ENGINEERING DESIGN AND CONTRACTS



Nick SERLE
GENERAL MANAGER CITY INFRASTRUCTURE

20 July 2017
SW



6. MOTION(S)

6.1. With Notice

Nil Submitted

6.2. Without Notice

Meeting closed at p.m.

AR17/29476



7. REPORT ATTACHMENTS





Environmental Sustainability Sub-Committee

TERMS OF REFERENCE

A Sub-Committee of Council Established
pursuant to the provisions of Section 41
of the Local Government Act 1999.

Terms of Reference for the conduct of the business of the Council Sub-Committee were approved and adopted by the City of Mount Gambier at its meeting held on ##th Month 2017.

Environmental Sustainability Sub-Committee

The Environmental Sustainability Sub-Committee has been established to:

- Assist Council achieve its environmental sustainability goals and objectives
- Provide advice to Council, staff and community on sustainability including assistance with assessment of projects and initiatives against Council's adopted Natural Step Framework.
- Monitor achievements in environmental sustainability against the adopted Strategic Plan, Annual Business Plan and Budget.
- Promote environmental sustainability to the organisation and community.
- Develop programs and activities that fit and submit to the Operational Standing Committee and Council for consideration.

Heritage Sub-Committee

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1. NAME

The name of the Council Sub-Committee shall be the Environmental Sustainability Sub-Committee (in these Terms of Reference referred to as “the Sub-Committee”).

2. INTERPRETATION

For the purpose of these Terms of Reference, unless inconsistent with the subject matter or context: -

2.1 Definition

- 2.1.1 “Act” means the Local Government Act 1999 and includes all Regulations and Schedules.
- 2.1.2 “Sub-Committee” means the Sub-Committee of Council established pursuant to 3.0.
- 2.1.3 “Sub-Committee Member” means the person appointed by the Standing Committee.
- 2.1.4 “Commencement Date” means the date on which the Sub-Committee is established and becomes operative pursuant to 3.2.
- 2.1.5 “Council” means the City of Mount Gambier.
- 2.1.6 “Presiding Member of the Sub-Committee of Council” means the person appointed to that position pursuant to 5.3.
- 2.1.7 “Observers” means those persons attending any meeting of the Sub-Committee of Council, but not having a vote on any matter to be determined by the Sub-Committee and not having been appointed as Members.
- 2.1.8 “Singular” includes a reference to the “plural”.
- 2.1.9 Standing Committee means the Committee to which the Sub-Committee reports.

2.2 Defined Terms

Any words, phrases or terms used in these Terms of Reference that are defined in the Act shall have the same meaning as are given in the Act.

2.3 Local Government Act

The Terms of Reference shall be interpreted in line with the provisions of the Act.

2.4 Notices

All communication to be given to the Sub-Committee shall be addressed to: -

Environmental Sustainability Sub-Committee
PO Box 56
MOUNT GAMBIER SA 5290
Email: city@mountgambier.sa.gov.au

3. ESTABLISHMENT

- 3.1 The Sub-Committee is established under Section 41 of the Local Government Act 1999.
- 3.2 The Sub-Committee will be established and become operative from the time a resolution of the Standing Committee is passed.
- 3.3 The Sub-Committee is established by the Standing Committee to assist in the co-ordination and administration of environmentally sustainable practices.

4. OBJECTIVES

- 4.1 The Sub-Committee is created for the express purpose of assisting the Standing Committee to develop and implement a range of environmental sustainability initiatives and programs that are aligned to Councils strategic management framework.

5. MEMBERSHIP

- 5.1 Membership of the Sub-Committee will comprise three (3) City of Mount Gambier Elected Members, **INSERT OTHER MEMBERSHIP DETAILS**. The Mayor has Ex-Officio membership on this Sub-Committee.
- 5.2 City of Mount Gambier Elected Members will serve on the Sub-Committee for a term determined at the pleasure of Council.
- 5.3 Community Members appointment will be **INSERT DETAILS**.
- 5.4 The Sub-Committee has the right to co-opt individual members who have special expertise to carry out specific projects under its objective. Such co-opted members have the right to attend meetings and participate in discussion and will have no voting rights on the Sub-Committee.
- 5.5 Notwithstanding Clauses 5.1 and 5.3 all Sub-Committee Members hold office at the pleasure of the Council.
- 5.6 The Sub-Committee will appoint a Presiding Member.
- 5.7 If a Sub-Committee Member is absent from two (2) or more consecutive meetings of the Sub-Committee without an apology accepted by the Standing Committee and Council then that Sub-Committee Members position shall be considered vacant.
- 5.8 The Standing Committee reserves the right not to appoint any nominee, to remove and replace any Sub-Committee Member, or to leave any Sub-Committee member position vacant.

CASUAL VACANCIES AND REPLACEMENT REPRESENTATIVES

5.1 The Standing Committee may replace any Member on the Sub-Committee or fill any casual vacancies, by notifying the Sub-Committee the identity of the person proposed to replace the representative or fill the casual vacancy.

6 NO PROXY

6.1 The appointment of a person as proxy for any Member on the Sub-Committee is not permissible.

7 RESIGNATION OF REPRESENTATIVES

7.1 Any Sub-Committee Member may resign from the Sub-Committee, but such resignation shall not be effective until the Presiding Member has received written notice to that effect.

8 QUORUM

8.1 At all Meetings of the Sub-Committee a quorum must be present.

8.2 A quorum will be determined by dividing by 2 the number of Members formally appointed to the Sub-Committee ignoring any fraction and adding 1 (excluding Mayor as ex-officio).

9 MEETINGS OF THE SUB-COMMITTEE

9.1 The Sub-Committee shall meet as and when determined by the Presiding Member.

9.2 The CEO or his appointee shall give notice to each Sub-Committee Member at least five clear days prior to any meeting.

9.3 The CEO or his appointee shall send a copy of the notice of a meeting and minutes of the Sub-Committee to the Standing Committee.

10.4 The CEO or his appointee must, at the request of the Presiding Member or three other Members, call a special meeting of the Sub-Committee.

10.5 All notices of meetings shall be issued by the CEO or his appointee.

10.6 No business shall be transacted at any meeting of the Sub-Committee unless a quorum of Members is present.

10.7 Each Member of the Sub-Committee including the Presiding Member present at any meeting of the Sub-Committee must vote on any matter requiring determination and all decisions shall be decided on a simple majority of votes cast.

10.8 Each Member of the Sub-Committee including the Presiding Member present at any meeting of the Sub-Committee shall have one deliberate vote only.

10 PROCEDURES AT MEETINGS

The procedure to be observed in relation to the conduct of meetings of the Sub-Committee is in accordance with Local Government (Procedures at Meetings) Regulations 2013.

11 LIABILITY OF THE SUB-COMMITTEE

11.1 A liability incurred by the Sub-Committee rests against Council.

11.2 No liability attaches to a Member of the Sub-Committee for an honest act or omission by that Member of the Sub-Committee in the performance or discharge, or purported performance or discharge, of the Member's or the Sub-Committee's functions or duties.

11.3 All members of the committee are bound by the Code of Conduct section 63 of the Local Government Act 1999

12 MINUTES OF THE SUB-COMMITTEE

12.1 Administration

12.1.1 The CEO or his appointee must cause minutes to be kept of the proceedings of the Sub-Committee.

12.1.2 Minutes of the Sub-Committee shall be available to all Members of the Sub-Committee, Standing Committee, Council and the public.

12.1.3 The Minutes of the proceedings of a meeting must include:

13.1.3.1 the names of the Members present and the time at which they entered or left the meeting;

13.1.3.2 the names of observers or visitors to any meetings;

13.1.3.3 every motion or amendment and the names of the mover and seconder;

13.1.3.4 any disclosure of interest declared by a Member;

13.1.3.5 whether the motion or amendment is carried, lost or lapsed;

13.1.3.6 Minutes of the Sub-Committee Meeting shall be distributed within 5 days of the meeting;

13.1.3.7 Minutes of the Sub-Committee Meeting shall be submitted for confirmation at the next meeting of the Sub-Committee

and if confirmed, shall be signed by the Presiding Member or other person presiding at the subsequent meeting.

13 AMENDMENTS TO THESE TERMS OF REFERENCE

13.1 It will be lawful for the Standing Committee by resolution of the Standing Committee to revoke, vary or add to any of the provisions of these Terms of Reference at its own discretion within the parameters of the Local Government Act and other relevant legislation.

13.2 Notwithstanding 13.1 hereof before the Standing Committee resolves to revoke, vary or add to any of the provisions of these Terms of Reference the opinion of the Sub-Committee shall be obtained.

14 INTERPRETATION OF THESE TERMS OF REFERENCE

14.1 Should there be any dispute as to the definition and/or interpretation of these Terms of Reference, or any part thereof or any irregularities whatsoever, then the Standing Committee shall determine the dispute and the decision of the Standing Committee shall be final and binding.

15 WINDING UP

15.1 The Standing Committee may cease the operation of the Sub-Committee and the Sub-Committee may make such recommendation to the Standing Committee on the completion of its function.

8th June 2017
Ref.



Australian Government
**Department of Industry,
Innovation and Science**

Business

business.gov.au
13 28 46
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Smart Cities and Suburbs Program Application Form

Tracking Code: **DASAVFL**

Receipt

Your form has been successfully submitted. Please keep a copy of this acknowledgement for your records.



Date and Time: **28 Jun 2017 10:03:44 PM**

Receipt Number: **SCSP-106**

To save or print a copy of the completed form and acknowledgement go to the "File" menu and select "Save as" or "Print".

Instructions

About the Smart Cities and Suburbs Program

The \$50 million Smart Cities and Suburbs Program supports the Australian Government's commitment to help local governments and communities use smart technology and increase the accessibility and use of public data so that:

- cities, suburbs and towns become more liveable, productive and sustainable and
- urban service delivery becomes more efficient and effective.

In line with the [Smart Cities Plan](#), the program supports projects that apply smart technology, data-driven decision making and people-focused design to deliver economic, social and environmental benefits in metropolitan and regional urban centres.

Projects will deliver innovative solutions that transform the government sector, advance community goals and address the needs of residents. The program will help to establish smart city innovation eco-systems and move Australia towards a global leadership position in smart city solutions.

Collaborative projects involving partners across multiple sectors and urban centres will:

- grow smart cities capability and capacity through shared knowledge and expertise
- drive innovation and wide adoption of solutions
- advance standards and improve regulation
- realise greater outcomes through maximum leverage of program funding.

The program will run over three years from 2016-17 to 2018-19 and may involve multiple rounds. Separate program guidelines will be issued outlining the arrangements for any future rounds of the program and will be available on business.gov.au.

Completing this form

Please read the [Program Guidelines](#) before completing this application form. Projects must have in-principle support from a local government agency or body at the time of application.

Disclosure of information

The Commonwealth's use and disclosure of your information (provided in this application or otherwise) is set out in the Smart Cities and Suburbs [Program Guidelines](#).

Google Places

The address search fields in this form use Google Places to help fill in the address details. By using this feature you agree to be bound by [Google's Terms of Service](#) and are subject to [Google's Privacy Policy](#).

Getting help

If you require assistance completing this application form please contact us on 13 28 46 or at business.gov.au. Our website and staff can help you with forms, finding business information and services and allow you to provide feedback, comments or suggestions.

You should also read and understand the [Program Guidelines](#) and general grant agreement before completing an application. View these documents at business.gov.au.

Requirements

This form functions best when it is completed using the most recent version of your internet browser. This form is not compatible with Internet Explorer 8 or earlier browsers. If you are using an earlier browser version, you may have difficulty in displaying the form correctly or it may not display at all.

Important information

Save Regularly. Click the 'Save for Later' button regularly while completing this form to ensure the information entered is saved. Saved forms will be retained for a maximum of 60 days. If you do not save or submit your form within this timeframe, you will need to start a

new form.

Do not use your internet browser's 'back' or 'refresh' buttons as this will cause the form to close and any unsaved information will be lost. Navigate between sections of the form by using the tabs at the top of the form or by clicking 'Continue' or 'Go Back' at the bottom of each page.

Sharing the form

The form can be viewed by more than one person by sharing the form's unique tracking code. However, sharing the form increases the risk of losing unsaved information. The reason for this is that only one person at any one time, has saving permissions for the application form. If the form is shared, save regularly as the last person that accesses the form has the saving permission. It is recommended that the form tracking code is not shared widely so as to avoid inadvertent loss of information.

Attachments

All attachments marked as required must be attached before your application can be submitted. Files with ".pdf, .rtf, .doc, .docx, .xls, .xlsx" extension types can be uploaded. Total file size of all attachments in the application should not exceed 20MB. Please note that there is a size limit of 2MB per attachment.

Submitting your form

Applications may be submitted at any time up until 5.00pm AEST on 30 June 2017.

You will be provided with a receipt to confirm that your submission has been successful. Please keep this receipt for your records by using the "Download the form and receipt" link or by emailing yourself a copy of the receipt and submission. Both of these options are available in the "To keep a copy of the completed form" box on the Submission Complete page.

If you have any enquiries relating to submission of your form, you will need to provide your receipt number.

Eligibility

Eligibility

This section will help you determine whether you are eligible to apply for the program.

Does your organisation have an ABN? *

For trustees applying on behalf of a trust, this refers to the ABN of the trust.

Yes

No

Is your organisation registered for GST? *

Yes

No

Select your type of organisation from the list below. *

Only the entity types listed below are eligible to apply for the program. Please refer to the [Program Guidelines](#).

a local government agency or body as defined in Appendix A of the program guidelines.

This includes the ACT Government

an entity incorporated in Australia

an incorporated trustee on behalf of a trust

a not for profit organisation

a Publicly Funded Research Organisation (PFRO) as defined in Appendix A of the program guidelines

Will your project involve at least one private sector organisation during the life of the project? *

If you already have private sector project partners in place, later in this application you will need to attach a letter of support from the Chief Executive Officer, Chief Financial Officer or equivalent of each project partner, including in-principle allocation of any funding they will contribute to the project.

We recognise that local governments, not for profit organisations and PFROs may not be able to nominate a private sector partner at the time of application. However in this application you must identify the goods and services that you will procure for your project.

Yes

No

Can you provide evidence that your project has in-principle support from a local government agency or body? *

Later in this application you must provide evidence of in-principle support by:

- a letter from the relevant Mayor(s) or Chief Executive Officer(s) stating that the project is endorsed by local government leadership and supported by relevant council divisions, in principle, if grant funding is awarded, or*
- an approved Council minute from a formal meeting of Council*

Yes

No

Are you able to start your project within two months of signing a grant agreement with the department? This can include procurement planning. *

We anticipate that grant agreements will be in place by 20 October 2017.

Yes

No

Does your project have at least \$200,000 in eligible expenditure? *

The minimum grant amount is \$100,000 (with a minimum project value of \$200,000). The maximum grant amount is \$5 million however the maximum project value can exceed \$10 million. Please refer to Appendix B of the [Program Guidelines](#) for more information on eligible expenditure.

Yes

No

Can you provide evidence that you can fund your minimum 50 per cent share of eligible project costs from funding sources other than the Commonwealth? *

Yes

No

Later in this application you must provide a letter from the Mayor, Chief Executive Officer, Chief Financial Officer or equivalent of each partner organisation outlining their contribution, and confirming they can fund their share of project costs.

Applicant information

Project partners

You are required to provide details of the project partner organisations.

Do you have project partners in place for your project? *

You must start your project within two months of executing a grant agreement, which can include planning for procurement.

Yes

No

The lead applicant must complete this form and if the application is successful will enter into a grant agreement with the Commonwealth.

Type of applicant

In this section you must indicate what type of entity you operate under.

All entities must have an ABN.

All entities must be non-tax exempt incorporated organisations.

Select which type of entity your organisation is: *

a local government agency or body

An entity incorporated in Australia

an incorporated trustee on behalf of a trust

not for profit organisation

a Publicly Funded Research Organisation (PFRO) as defined in Appendix A of the program guidelines

Applicant details

Enter your ABN and click the Validate button to retrieve your registration details.

Australian Business Number (ABN) *

17 330 264 425

Australian Company Number (ACN)

The entity name refers to the name that appears on all official documents or legal papers. The entity name may be different from the business name.

Entity name

CITY OF MOUNT GAMBIER

Your business may have registered one or more business names. If you operate under a business or trading name you can enter alternate name(s) here. If your business or trading name is not listed here select 'other'.

Business/trading name

GST registered

ANZSIC details

What is the applicant's main business activity under the Australian and New Zealand Standard Industrial Classification (ANZSIC)?

The Australian and New Zealand Standard Industrial Classification (ANZSIC) is a classification system used by government to group data about organisations based on their primary business activity.

The ANZSIC codes and titles are available from the [Australian Bureau of Statistics \(ABS\) website](#). Phone 13 28 46 if you require assistance.

ANZSIC division *

Public Administration and Safety

ANZSIC class

7530

Address details

Provide your Organisation Street Address (Australian Head Office)

Google Places - start entering your address to search Google Places and if found will auto fill the fields below. If not found, please enter the address details directly in the fields below.

Address line 1 *

Civic Centre

Address line 2

10 Watson Terrace

Address line 3

Suburb *

Mount Gambier

State *

SA

Postcode *

5290

Is the Postal Address the same as the Organisation Street Address entered above? *

Yes

No

Website address

Provide your organisation's website address

<https://mountgambier.sa.gov.au>

Project site address

Will the project's activities occur solely at the above listed head office address? *

A project site address must be a street address, not a postal address.

Yes

No

Site Address 1

Google Places - start entering your address to search Google Places and if found will auto fill the fields below. If not found, please enter the address details directly in the fields below.

Address line 1 *

3 Eucalypt Drive

Address line 2

Address line 3

Suburb *

Mount Gambier

State *

SA

Postcode *

5290

Latest financial year figures

Has the applicant existed for a complete financial year? *

Yes

No

Select the latest complete financial year. *

2016/17

Latest financial year figures

We collect the following data from all applicants across all grant programs. We use this data to better understand your organisation and to help us develop better policies and programs.

All amounts in the table below must show a whole dollar value e.g. \$1 million should be presented as \$1,000,000. The turnover value must be that of the entity that is making the grant application (the 'applicant'), regardless of whether the entity belongs to a consolidated group for tax purposes.

These fields are mandatory and entering \$0 is acceptable if applicable. If they clearly do not apply to your organisation you may select not applicable.

FY 2016/17

Sales revenue (turnover) *

Not applicable

Total revenue from the sale of goods and services, as reported in the applicant's Business Activity Statement (BAS).

Export revenue *

Not applicable

Total revenue from export sales, as reported in the applicant's Business Activity Statement (BAS).

R&D expenditure *

Not applicable

Expenditure on Research and Development, i.e. creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications.

Taxable income * Not applicable

Taxable income or loss as per the Applicant's Business Income Company Tax Return Form.

Employees, including working proprietors and salaried directors (headcount) * Not applicable

Number of individuals who are entitled to paid leave (sick and holiday), or generate income from managing the business.

Independent contractors (headcount) * Not applicable

Number of individuals engaged by the business under a commercial contract (rather than an employment contract) to provide employee-like services on site.

Ultimate holding company

Does the applicant have an Ultimate Holding Company? *

Yes

No

Project details and funding

Project title and description

If your application is successful, the details you provide below will be published on the departmental website. Published project details will include:

- name of the applicant
- title of the project
- a description of the project and its intended outcomes
- amount of funding awarded.

Provide a project title. *

If the application is successful, this project title may be used by the Australian Government in published material.

Example project title: Eastern Suburbs Council Smart Waste Collection Project.

Recycling and Reuse Centre - City of Mount Gambier

Provide a brief project description for publication on our website. *

Ensure your project description focuses on your project's key activities and outcomes. Explain what it is you are going to do and how it will help local governments and communities use smart technology and increase the accessibility and use of public data.

Example Project Description:

Transition Pty Ltd's smart infrastructure project to integrate sensors, vision systems, and wireless and network controls to share mass communication about traffic and weather conditions.

Transition Pty Ltd's smart precincts project to improve building comfort, through mitigation of urban heat and other weather extremes using intelligent systems.

The proposed Recycling and Reuse Centre (RRC) will be the only such facility across the whole of the Limestone Coast in a region that is challenged by issues of scale. Citizens are generally from low SES backgrounds, are conservative with innovation requiring evidence of regional applicability before support can be secured for any implementation proposals. The RRC will utilize sustainable practices in development, construction and operation and utilize smart technologies to become a pilot site for technological and environmental waste applications as both a practical and educative facility. Emerging data will be shared with the public, community agencies local businesses and other regional councils.

Project priority area

Which priority area does your project align with?

You can select more than one. More detail on the priority areas can be found in Table 1 of the program guidelines.

- Smart Infrastructure
Improving the efficiency, reliability, delivery and maintenance of infrastructure and essential services
- Smart Precincts
Making community precincts more liveable, productive, sustainable and safe
- Smart Services and Communities
Delivering community focussed local government services
- Smart Planning and Design
Building adaptable and resilient cities through improved land use, strategic planning and governance

Summary of activities and outcomes

Provide a summary of your project, including the key activities and project outcomes. Detail the challenge your project will address using a smart technology solution. List any products or services you will procure as part of the project.

The proposed RRC will champion innovative design, development and operation that will provide information of benefit to internal and external stakeholders and will include

- Diversion of waste from landfill through beneficial reuse and recycling. Currently 20,000 tonnes of waste from across the region is delivered to landfill.
- Become a pilot site for the application and demonstration of smart sensor technologies. The use of smart lighting, CCTV, motion sensing, bin sensors and associated data analytics, will demonstrate how use of such equipment in council operations can enhance efficiencies and save resources. They may also be translatable to agriculture and industry contexts.
- Demonstrate water and energy efficient operational technologies.
- Become a hub for community and school education, through workshops and talks teaching people how to recycle, reuse and repair items, rather than adding to landfill.
- Provide the disadvantaged with low cost products for purchase.

Project milestones and key activities

The start date of milestone 1 is the expected project start date. The end date of your last milestone activity will be the project end date.

Include timeframes for any procurement activities, including finalisation of any tenders, and when you expect to have engaged project partners.

We make an initial payment on execution of the grant agreement covering up to 6 months of eligible expenditure. We will make subsequent payments in arrears based on your achievement of activities and your eligible expenditure.

Milestone 1

Milestone title *

Tender & Approvals

Milestone description *

Tenders for the construction of unloading and display sheds released, assessed and then awarded. Planning and Building approvals applications made and then received.

Milestone start date *

02 Oct 2017

Milestone end date *

20 Nov 2017

Milestone 2

Milestone title *

Construction of Unloading & Display Facilities

Milestone description *

Construction of unloading facility at the Mount Gambier Transfer Station, as well as display structure and shop front at Recycling & Reuse Centre, including fit outs for sorting and processing.

Milestone start date *

04 Dec 2017

Milestone end date *

05 Mar 2018

Milestone 3

Milestone title *

Smart Technology Incorporation

Milestone description *

Incorporation of a smart technology ecosystem into the RRC facility including:
-CCTV including video analytics;
-Bin fill-level sensors for the management of onsite bins;
-Inventory management system to intelligently manage stock;
-LED lighting throughout the site; and
-WiFi network for use by the onsite technology suite, as well as customers.

Milestone start date *

06 Mar 2018

Milestone end date *

16 Apr 2018

Milestone 4

Milestone title *

Site Opening Preparation

Milestone description *

-Commencement of media campaign.
-Collection and processing of materials for sale.
-Recruitment of key staff.
-Development and installation of onsite signage.
-Administration and general IT systems installed.
-Ancillary equipment sourced.
-Landscaping works and site beautification.
-Opening Day.

Milestone start date *

17 Apr 2018

Milestone end date *

01 Oct 2018

Project duration

Project Start Date

02 Oct 2017

Project End Date

01 Oct 2018

Project budget

Provide details on your total eligible project costs over the life of the project. This includes the requested grant funding and all co-contributions.

Amounts must be GST exclusive. Note, the minimum grant amount under the program is \$100,000 and the maximum grant amount is \$5 million.

We only provide grant funding based on eligible expenditure. Refer to the [Program Guidelines](#) for guidance on eligible expenditure.

Cost item	FY 2017-18	FY 2018-19	Total
Labour costs			\$0
Contractor costs	\$625,000	\$0	\$625,000

Intellectual property and technology acquisition	\$123,884		\$123,884
Other costs		\$30,000	\$30,000
Total project costs	\$748,884	\$30,000	\$778,884

Source of funding

Complete the table below to show how the applicant will fund the eligible project costs.

Amounts must be GST exclusive. Note, the minimum grant amount under the program is \$100,000 and the maximum grant amount is \$5 million.

a. Applicant's contribution (\$A) *

b. Total project partner contribution (\$A)

c. Program grant amount (\$A) *

d. Other non-Commonwealth Government funding (\$A)

e. Total eligible project costs (\$A)

f. Grant percentage

Total government grant percentage (%)

The project cannot be funded by this grant in conjunction with any other Commonwealth grant. The total Commonwealth funding cannot exceed 50%.

Other Government Contribution Sources

If a figure greater than \$0 was entered in Part d) Other non-Commonwealth Government Funding in the table above, provide details of the other government grant funding.

Contribution Source 1

Program Name *

Funding Amount (\$A) *

Total

\$150,000

Supportive documents

Provide the names of documents that you can provide to support your estimated project costs

Quotes from a smart technology provider.

In house Council architect and estimator costings for building and other necessary groundwork and solar and water infrastructure.

Examples of supporting documents are equipment supplier quotes, contractor quotes, invoices etc. You do not need to submit these with this application form. However, if your application is successful you will be required to submit these documents before the grant agreement is finalised.

You can find more details in the [Program Guidelines](#).

Merit criteria

To be competitive you will need to score highly against each merit criterion. Your application will be assessed against the indicators listed beneath each merit criterion. The merit criteria are weighted as indicated by the points. The amount of detail and supporting evidence you provide should be commensurate with the project size, complexity and grant amount requested.

You may attach any other documents that support your application and/or claims made in relation to the merit criteria.

Merit criterion one (30 points)

The extent to which your project is innovative and uses smart technology and open data *

In assessing this criterion, we will consider:

- *The extent to which your project is innovative (see section 5.3 of the program guidelines).*
- *The extent that your project will promote open and accessible data*
- *The extent to which your project uses Smart Technology*
- *The degree that your project supports interoperability of systems and uses available standards, particularly open standards. Examples of existing open standards include data models based on CitySDK, data platforms based on CKAN, APIs based on the FIWARE NGSI API framework, and information discovery standards like Hypercat.*

The proposed Recycle and Reuse Centre (RRC), for which funding is sought, will be the only such facility across the whole of the Limestone Coast. The region is often challenged by issues of scale when aspiring to keep pace with innovation as citizens are generally conservative with new approaches to community services requiring evidence of regional applicability before support for adoption can be secured. The proposed RRC will utilize sustainable practices in development and operation and utilise smart technologies to become a showcase for technological and environmental applications as both a practical and educative facility.

The innovation claimed in this in application is in the approach taken that will provide internal and external benefits across the region through an opportunity to engage with IoT that may not otherwise be possible individually for small councils. To demonstrate usefulness, knowledge gained from technology will be shared across public and private sectors through an sustainability framework associated with waste which integrates a number of agendas within the one facility. For the City of Mount Gambier, how data can be integrated into Council operational contexts, and what impact multiple IoT devices may have on general operating capability will also be important.

There are 7 councils in the Limestone Coast regional area and no other council have thus far utilized smart technologies of the type to be piloted. The City of Mount Gambier operates the only landfill site in the region with expertise in leachate, CO2 emissions and EPA requirements for operation making the city the obvious choice of location for this facility.

The smart sensor technologies to be piloted may be of particular usefulness for large scale community events which often stretch resources to the limit in small regional cities. For example, events such as Generations in Jazz, Lucindale Field Day and the Red Hot Summer Tour bring thousands of visitors to the region and showcased applications can be assessed to assist with more efficient resource management and deployment.

A business model that has identified potential capital costs, revenue streams and operating costs without smart technologies does not predict positive operating results for at least three years. However, while the technologies themselves may not generate dollar savings on such a small scale, there are potential flow on benefits that will add value to council operational decision making and also generate interest in the 'smart' style operations. The predicted increase in visitor traffic will raise awareness of the facility, the products that will be available for purchase and make a contribution to the initial public engagement through volunteering behavior. The opportunity to potentially increase revenue streams by up-cycling and through greater community engagement will be a useful addition to the facility. All smart components in this project use representational state transfer application programming interfaces (RESTful API's). This provides the foundation layer for all edge devices, sensors and services to communicate to a central data store. This will form the basis of interoperability to future projects and data platforms, while providing a means to promote open and accessible data. The project utilizes cloud based architecture for the video and WiFi analytics resulting in the ability to derive insight and view data from any client device, with the correct authentication. The data store server will use a MongoDB for analytics and will be configured to provide the ability for us to release the data from our sensors to our community and developers with a CKAN extension.

Merit criterion two (30 points)

The scope of social, environmental and economic benefits your project will deliver *

In assessing this criterion, we will consider:

- The level of social, environmental and economic project benefits to be gained. This may include improving:
 - the efficiency and effectiveness of and access to local government services and facilities
 - the health and quality of the natural environment, including increased efficiency in the use of natural resources
 - the financial sustainability of your community, including generating an ongoing revenue stream, cost savings, or leveraging investment from third-parties.
 - the urban environment, including safety, design landscape and green infrastructure
 - business and industry development including job creation and skills development
 - social equity and community cohesion
- The degree to which your project will transform the government sector:
 - by serving as a demonstration of best practice for others and the potential to scale up, roll out or replicate your solution in other communities; and/or
 - by supporting improved regulation.

The City of Mount Gambier (COMG) is the major population centre in the Limestone Coast with the regional population being approximately 67,000 residents. Mount Gambier is located almost half way between Melbourne and Adelaide with no rail transport, limited airport facilities and is approximately five hours by road to either capital city. The decile Index of Relative Socioeconomic Advantage and Disadvantage in the city in 2014/15 is 2, and across the region is between 1-3. While the challenges of regional disadvantage are not unique, geographical distances requiring expensive freight options and digital literacies that are not well developed are the norm.

The costs of running a waste transfer station in regional locations and the corresponding rising cost of disposal of hard waste for ratepayers are complex issues that require longer term solutions. Solutions, through better informed choices, are likely to require changing habits, practices and applications. The benefits of the proposed facility are environmental, economical and social. A recycling and reuse centre provides the community with a method of disposing many of their unwanted items for free and purchasers can then secure low cost options for items needed. There is potential to divert many tonnes of waste away from landfill, leading to both environmental and financial benefits. Not only is waste to landfill decreased, valuable virgin resources, energy and water are also saved. The proposed RRC will champion innovative design development and operation that will provide information of benefit to internal and external stakeholders and will include

- Diversion of waste from landfill through beneficial reuse and recycling. Currently 20,000 tonnes of waste from across the region is delivered to landfill.
- Become a pilot site for the application and demonstration of smart sensor technologies. The use of WiFi, smart lighting, CCTV, motion sensing, bin sensors, CO2 sensors and associated data analytics, will demonstrate how use of such equipment in council operations can enhance efficiencies and save resources and may be translatable to agriculture and industry contexts.
- Demonstrate water and energy efficient operational technologies.
- Use of bar code and scanning technologies to minimise labour costs and improve accountability frameworks
- Provide the community with sales of products as a low cost solution for affordability challenges
- Contribute to guiding the community to more informed, sustainable choices and behaviour
- Provide employment opportunities (particularly for the disadvantaged who may be employed to dismantle and segregate materials for sale).
- Provide opportunities for community engagement by developing programs that transform unwanted items into new objects through 'upcycling'. Recycling centres are often a hub for community education, holding workshops and talks and teaching people how to repair items, rather than discarding them.

The educative benefits of linking waste reduction with reuse and technologies on a manageable scale potentially makes a significant difference to perceptions about viability for a RRC in this region. Viability needs to be assessed giving weighting to the measurable and quantifiable in conjunction with social benefits. Once established community groups such as the Mount Gambier Men's Shed will be encouraged to run repair workshops to assist with provision of products for sale to the disadvantaged and also to share skills. Utilization of scrape from an artist point of view with workshops encouraging all forms of material reuse by any community groups will be encouraged.

Merit criterion three (20 points)

The extent of the project's community focus and impact on the liveability of the cities, suburbs and towns *

In assessing this criterion, we will consider:

- *The degree that your project will advance community goals including through alignment with any relevant strategic plans at the local, regional or state level.*
- *The level of engagement with citizens to ensure the project addresses community needs and has the support of the community.*
- *Your strategy to measure the project's success, including any targets and metrics*

The aims are closely aligned with the Council's Community Plan (May 2016) to build a diverse and resilient economy and to make Mount Gambier a recognized sustainable place. It also recognised that such commitments would need to address improvement in the sustainability of council operations requiring the use of smart solutions into the future. The Community Plan encourages actions that will impact:

- Employment opportunities.
- Diversifying local business.
- Social inclusion.
- Skilled and educated people.
- Reducing waste.
- Protecting the environment.

Encouraging community engagement can also occur through

- Running a "Sort & Save" campaign, encouraging customers to sort their loads so they can be easily assessed by staff, and customers save money on WTS fees.
- Encourage community members to submit their reuse / upcycling ideas - online, and also have a big board at the site.
- Emphasizing not for profit, waste diversion, and employment creation - Save money, support (disadvantaged) employment, and help the environment.

The technology being piloted in RRC could have many applications in other contexts. CCTV, remote sensing for full bins, vats or tanks, smart lighting solutions can also be used in commercial and farming applications and small businesses will be able have the opportunity to examine the usefulness of smart technologies without having to travel out of the region. Smart technology accessibility as part of the pilot program has the potential to generate benefits across the community.

In November 2016, the Council committed to a digital strategy that encourages Council to show leadership in innovation by assessing unexpected new, low cost solutions that are emerging to old business, community and public policy challenges. The ability to demonstrate a place and usefulness for smart technologies in urban environments is potentially easier than in smaller scale regional locations. The testing of such innovations in ways that allow adapting of service solutions in accordance with data outcomes will be an important enabler for securing approval for further implementation strategies.

The support of the Limestone Coast Local Government Association (LCLGA) representing the seven Local Government Councils in the Limestone Coast is an important part of this application. The LCLGA has an active Waste Management Committee that has representation from each of the constituent Councils. One of the key initiatives the committee will be looking to deliver in the coming twelve months is a Regional Waste Management Strategy and Regional Waste Infrastructure Plan. The LCLGA recognise that the proposed RRC in the City of Mount Gambier provide a platform for further key infrastructure to be rolled out across the region through the knowledge gained by the operation of the Centre especially in the area of technology.

This project links the priorities across three tiers of government;

- At the highest level, delivering advanced infrastructure to support the waste sector to achieve the best outcomes for waste management
- At state level contributing to the South Australia's Waste Strategy 2015-2020
- At local level, supporting the work of the LCLGA Waste Management Committee

The LCLGA fully supports the development of the Recycling and Reuse Centre as the waste sector continues to be one of the key focus areas of the Association.

While alignment with community and regional plans provides a macro viewpoint, citizens in Mount Gambier have, over the last year in particular, suggested through direct feedback to elected officials and through on-line community feedback options on the Council website, that a kerbside hard rubbish collection be provided for all city residents. Bin audits for standard rubbish collections have demonstrated that bins are often emptied when not full and that community members are not well versed in sorting recyclable and non-recyclable goods. The demonstration of how bin sensors could save council resources and education of the community through school group information sessions and reduced costs of delivering sorted rubbish when going to the transfer station (where recyclables will be sorted) will contribute to encouraging more responsible behaviors in residents.

Success will be measured by the number of community groups and individuals whom engage with the RRC across a broad spectrum of stakeholders and residents

- contributions to recycling
- sales revenue
- educative workshops conducted and number of attendees
- business and councils who visit the RRC
- employment opportunities created

- waste tonnage diverted from landfill
- power saved from use of smart lighting
- labor saving and stock theft prevented by use of CCTV and bin sensors
- media and other endorsement

Merit criterion four (20 Points)

Your capacity, capability and resources to carry out the project *

To assess this criterion, we will consider:

- *The role of each project partner and how you will collaborate with them to improve your project outcomes*
- *Your track record managing similar projects*
- *Your access to personnel with the right skills and experience*
- *Your existing access to, or future access to, any infrastructure, capital equipment, technology, intellectual property, licences, radiofrequency spectrum etc.*
- *Your plan to manage and monitor the project, including planned governance and accountability arrangements*
- *The identification of key risks to the project's success and proposed treatments*
- *The level of continued support for, or capacity to, extend the project outcomes once the project is complete.*
- *The cash and in-kind contributions of all project partners. Additional investments such as cash contributions over 50 per cent or in-kind contributions will be highly regarded*

City of Mount Gambier currently has a site with a building and planning approvals in place for a site that was operated 20 years ago by external commercial interests as a salvage yard. Council has on two occasions since closure of the salvage yard released a Request for Expression of Interest to run a salvage yard by third parties. These have not resulted in a satisfactory outcome for Council to date. Research conducted indicates that overheads (mainly relating to labour costs) were too high for the income generated.

Over the last two decades the issues around waste management have intensified with community awareness and readiness to engage in more sustainable waste management significantly changing. The City of Mount Gambier has committed to adapting the site to provide a more sophisticated operation engaging with a broad group of stakeholders across the community to enhance outcomes.

The City of Mount Gambier has conducted comprehensive investigations into the factors that contribute to successful salvage yards. We have spoken with successful salvage yards around the country, and visited numerous sites in South Australia and Victoria. Where salvage yard operations work best, they are located in conjunction with Council's transfer station, and so serve as a "one stop shop" for disposing of unwanted items and waste. Other research informing the current proposed operating model has come from the following reports;

- Find Workable Solutions (FWS)(2013) Recycling Business Options for Eucalypt Drive, Mount Gambier, City Of Mount Gambier.
- Community Recycling Network Australia (2013) Operating a Sustainable Community Recycling Enterprise, www.communityrecycling.com.au/e-book.html

A business model that has identified that potential capital cost, revenue streams and operating costs without smart technologies does not predict positive operating results for at least three years. However, while the technologies themselves may not generate dollar savings on such a small scale, there are potential flow on benefits that will add value to council operational decision making and also interest in the 'smart' style operations. The predicted increase in visitor traffic will raise awareness of the facility and make a contribution to the initial public engagement through volunteering behaviours thus adding to potential revenue streams.

The need for competitive tendering in local government prevents alignment with a specific partner however the nature of the technologies to be employed will require a technology partner for the life of project to assist with data analysis and integration of data with other systems. This application has benefitted from the input of a national technology company who is willing to provide on going business solutions if engaged after a competitive tendering process.

Another valuable collaboration is the strong endorsement provided by the Limestone Coast Local Government Association (LCLGA). In kind support through the expertise available through LCLGA Waste Management Committee will be available to encourage creative waste management processes. This committee will also encourage recycling and reuse across the region and the educative nature of the intended facility will be available to all Councils and schools in the region.

The Council has significant experience in managing projects with in house engineering expertise already engaged in building and operating the transfer station and a landfill site complying with all EPA standards and ongoing monitoring requirements. The Council is ready to commence this project and has the requisite resources and expertise available to fully implement planned outcomes.

Supporting documents

Supporting documents

Any supporting documentation you would like to attach to the application can be uploaded here. The following restrictions apply to attachments:

- Total file size of all attachments in the application should not exceed 20MB
- file size of each attachment cannot exceed 2MB
- only files with the following file type extensions can be uploaded (.pdf, .rtf, .doc, .docx, .xls, .xlsx)

For assistance with any technical issues experienced while completing this application form or attaching documents, please [Contact Us](#). Our website and staff can help you.

If you wish to include additional documents, these should be limited to those directly relevant to, and in support of, your application

File: Letter of Support from CEO to Dept of Industry Innovation and Science Canberra re Smart Cities .docx

File: 20170621_CMG Smart City Letter of Support.docx

File: Mount Gambier Reuse Recovery Centre - Project Timeline.docx

Contact details

Primary contact

Person authorised to act on behalf of the applicant. (Note: At least one phone number or mobile must be entered and all the remaining fields below are mandatory unless stated otherwise.)

Title

Mr

Given Name *

Mark

Family Name *

McShane

Position Title *

Chief Executive Officer

Please enter either a phone or mobile number *

Phone

0887212560

Mobile

0414848892

Email *

mmcshane@mountgambier.sa.gov.au

Provide the postal address of the primary contact.

Google Places - start entering your address to search Google Places and if found will auto fill the fields below. If not found, please enter the address details directly in the fields below.

Address line 1 *

Civic Centre

Address line 2

10 Watson Terrace

Address line 3

Suburb *

Mount Gambier

State *

SA

Postcode *

5290

Is the applicant the primary contact's employer? *

Yes

No

Feedback

How did the applicant hear about the program? *

- Advertisement
- Attend Public Forum
- Call Centre
- Direct Mail / Email
- Industry Group
- Internet
- Newspaper / Magazine
- Word of mouth
- Social Media
- Other

Applicant declaration

Privacy and confidentiality provisions

I acknowledge that this is an Australian Government program and that the department will use the information I provide in accordance with the following:

- [Australian Government Public Data Policy Statement](#),
- [Commonwealth Grants Rules and Guidelines](#),
- [Program Guidelines](#),
- applicable Australian laws.

Accordingly, I understand that the department may:

1. share information in this application with other government agencies:

- (a) for purposes directly related to the administration and governance of the Program;
- (b) for any purposes including government administration, research or service delivery; and

2. publish non-sensitive information in this application in the public domain, including on the department's website;

unless otherwise prohibited by law.

I confirm that I have read and understood the privacy, confidentiality and disclosure provisions outlined in the [Program Guidelines](#).

By checking this box I agree to all of the above declarations and confirm all of the above statements to be true *

Applicant declaration

I declare that I have read and understood the [Program Guidelines](#).

I declare that the proposed project outlined in this application and any associated expenditure has been endorsed by the applicant's Board or person with authority to commit the applicant to this project.

I declare that the information contained in this application together with any statement provided is, to the best of my knowledge, true, accurate and complete. I also understand that giving of false or misleading information is a serious offence under the *Criminal Code 1995* (Cth).

I declare that the applicant will comply with, and require that its subcontractors and independent contractors comply with, all applicable laws.

I understand that I may be requested to provide further clarification or documentation to verify the information supplied in this form and that the Department of Industry, Innovation and Science (the Department) may, during the application process, consult with other government agencies, including State and Territory government agencies, about the applicant's claims and may also engage external technical or financial advisors to advise on information provided in the application.

I acknowledge that if the Department is satisfied that any statement made in an application is incorrect, incomplete, false or misleading the Department may, at its absolute discretion, take appropriate action. I note such action may include excluding an application from further consideration; withdrawing an offer of funding; using the information contained in the application for a fraud investigation that would be consistent with the Australian Government's Investigations Standard and Fraud Control Guidelines and for management purposes and/or terminating any Agreement between the Commonwealth and the recipient including recovering funds already paid.

I agree to participate in the periodic evaluation of the services undertaken by the Department.

I declare that I am authorised to complete this form and to sign and submit this declaration on behalf of the applicant.

I approve of the information in this application being communicated to the Department in electronic form.

By checking this box I agree to all of the above declarations and confirm all of the above statements to be true *

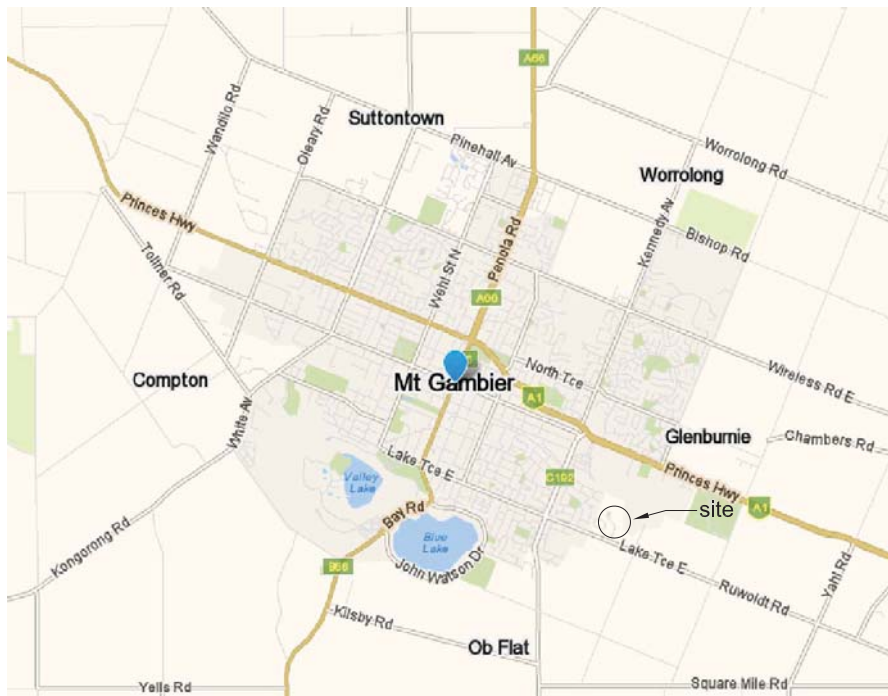
By including my name in this application it is deemed to be my signature for the purpose of this application *

State your name *

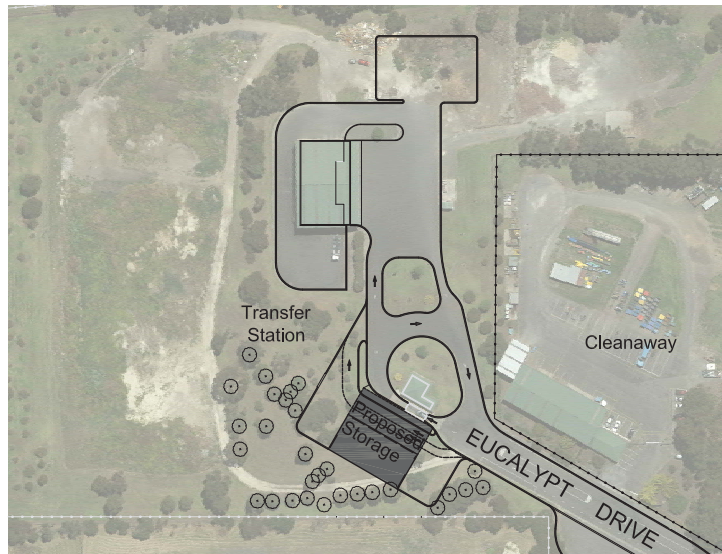
Mark McShane

State your email address *

mmcshane@mountgambier.sa.gov.au



site
LOCATION
NTS



site
PLAN
SCALE 1:1000

WASTE TRANSFER STATION SALVAGE SHED

DRAWING NO.

DRAWING TITLE

- 1 of 3
- 2 of 3
- 3 of 3

- SITE LOCATION, DRAWING LIST
- SHED FLOOR AND ELEVATION PLANS
- SITE IMAGES



site
IMAGES
NTS



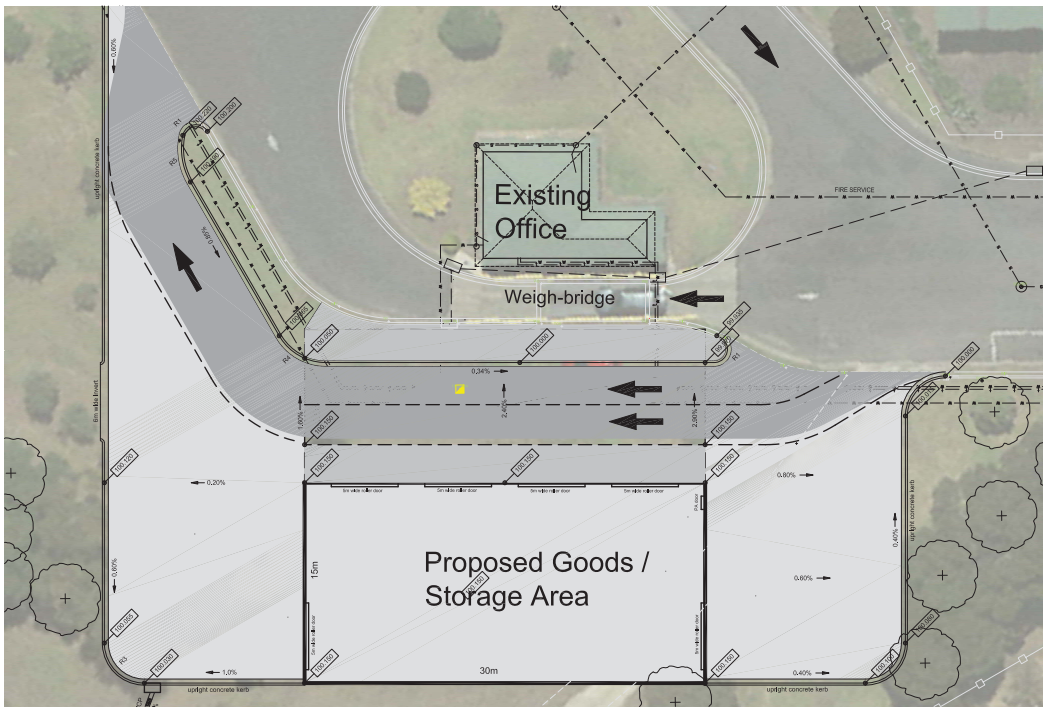
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	Co-ordinates	
	Height Datum	
	Level book	
Drawn by	MS JULY 2017	CAD ref AUTOCAD 1617-38
Designed by	MS JULY 2017	Survey ref

CITY OF MOUNT GAMBIER

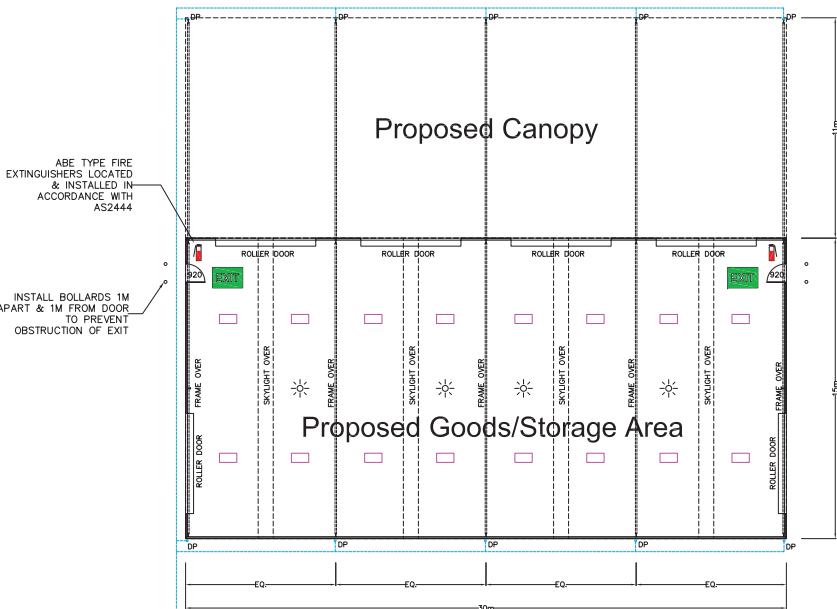
SALVAGE SHED

WASTE TRANSFER STATION

Scale	Sheet No
as shown	1 OF 3
Plan No	
1617-38	



site
PLAN
SCALE 1:200



floor
PLAN
SCALE 1:150

NOTES:

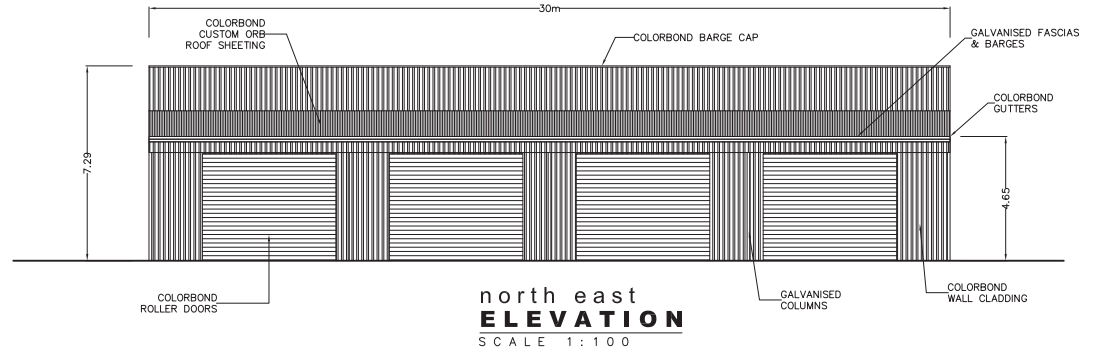
COMPLIANCE TO NCC BCA VOL1 PART D2.20 & D2.21
EXIT DOORS MUST OPEN OUTWARDS. THE LATCH MECHANISM MUST BE OPENABLE WITHOUT A KEY & OPERATED BY SINGLE HAND DOWNWARD OR PUSHING ACTION & BE LOCATED BETWEEN 900 - 1100MM A.F.L.

COMPLIANCE TO NCC BCA VOL1 PART E4.5
EXIT SIGNS MUST COMPLY WITH AS 2293.1 AND BE CLEARLY VISIBLE AT ALL TIMES WHEN BUILDING OCCUPIED BY A PERSON

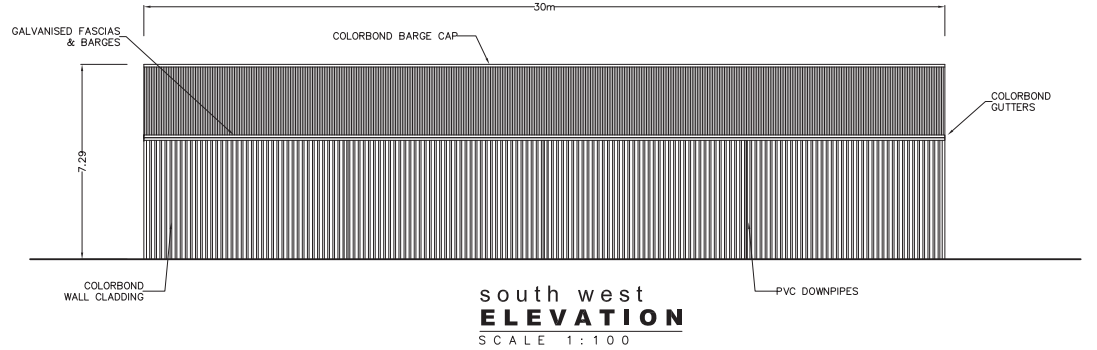
FIRE EXTINGUISHERS
PORTABLE FIRE EXTINGUISHERS MUST BE SELECTED, LOCATED AND DISTRIBUTED IN ACCORDANCE WITH SECTIONS 1, 2, 3 AND 4 OF AS 2444.

EMERGENCY LIGHTING
EMERGENCY LIGHTING INSTALLED TO COMPLY WITH AS2293.1 MODEL: THORN WEATHERFORCE LED 2300 27W ELI2 L840

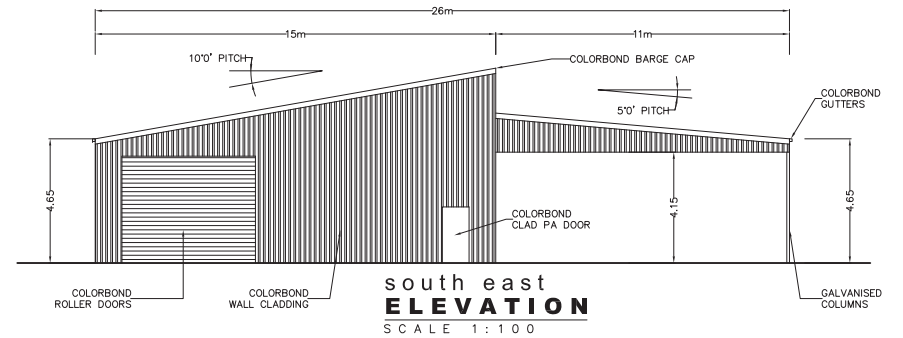
LIGHTING
AS PER SPECIFICATION
MODEL: AS PER SPECIFICATION



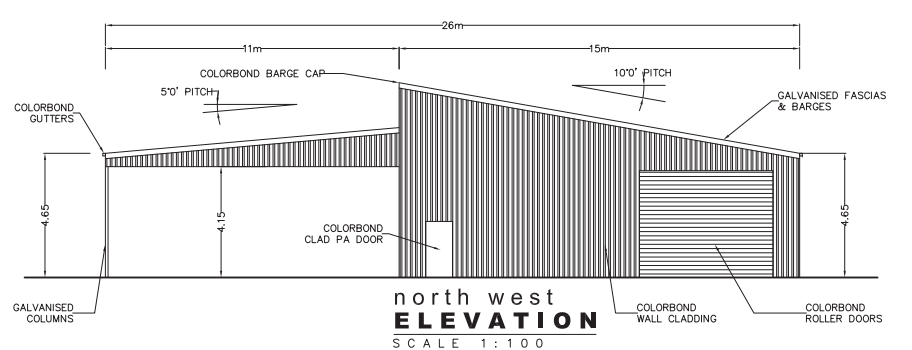
north east
ELEVATION
SCALE 1:100



south west
ELEVATION
SCALE 1:100



south east
ELEVATION
SCALE 1:100



north west
ELEVATION
SCALE 1:100



Approved by	
Co-ordinates	
Height Datum	
Level book	
Drawn by	MS JULY 2017
Designed by	MS JULY 2017
CAD ref	AUTOCAD 1617-38
Survey ref	

CITY OF MOUNT GAMBIER
SALVAGE SHED
WASTE TRANSFER STATION


Scale as shown	Sheet No 2 OF 3
Plan No	1617-38



site
IMAGE 1
 N T S



site
IMAGE 2
 N T S

 City of Mount Gambier	Approved by	
	Co-ordinates	
Drawn by	MS JULY 2017	CAD ref
Designed by	MS JULY 2017	Survey ref
		AUTOCAD 1617-38

CITY OF MOUNT GAMBIER
SALVAGE SHED
 WASTE TRANSFER STATION

Scale	Sheet No
as shown	3 OF 3
Plan No	
1617-38	





OPERATIONAL SERVICES REPORT NO. 8/2017

**SUBJECT: PROPERTY MANAGEMENT - SALVAGE YARD - COUNCIL OPERATED
SALVAGE YARD - POSSIBLE OPERATIONAL MODEL**

REF: AF14/34

Introduction

This report outlines the possible options for re-establishing a salvage yard / resource recovery centre in Eucalypt Drive in Mount Gambier, together with a recommendation to assist with moving the project forward. A salvage yard is typically a facility where waste items are collected and then resold directly, collated for recycling, or 'upcycled' (processed into new items). The main goals of salvage yards are usually to reduce waste to landfill, provide employment (often to disadvantaged members of the local community), and provide an outlet where community members can access materials for reuse - usually at an economical price.

Council has released a Request for Expression of Interest to run a salvage yard by a third party on two occasions. These have not resulted in a satisfactory outcome for Council to date. This document explores the option of Council running the salvage yard.

There are strong links between the concept of a salvage yard and the Community Plan, through the Plan's encouragement of:

- Employment opportunities.
- Diversifying local business.
- Social inclusion.
- Skilled and educated people.
- Reducing waste.
- Protecting the environment.

Background

The previous salvage yard operated at 3 Eucalypt Drive. Gambier Contracts operated the site from the late 1990's until it was taken over by Bedford Industries in 2008. Bedford shifted focus from the site to other operations. Research conducted indicates that whilst the general consensus was that the operation was viable, there were too many overheads (mainly relating to labour costs) for the income generated. Also, traffic for the Waste Transfer Station (WTS) was never directed through the salvage yard before entering the WTS. A broader summary of the issues that lead to the closure of the previous salvage yard are contained in the Find Workable Solutions (FWS) report "Recycling Business Options for Eucalypt Drive, Mount Gambier" (AR16/33484).

Successful salvage yards operate around Australia in towns and suburbs of all different sizes and communities. They demonstrate that it is possible to turn discarded resources into cash, which can pay wages and train workers in newly created jobs.

Council staff have conducted comprehensive investigations into the factors that successful salvage yards have in common. They have spoken with successful salvage yards around the country, and visited numerous sites in South Australia and Victoria.

The following is a list of factors that are common to successful salvage yards:

- Experienced and passionate site manager.
- WTS traffic diverted through salvage yard before going through to WTS.
- Neat and tidy site presentation.
- Good customer service.
- Regular turn over of stock.
- Good screening of items coming in so non-saleable items are not accepted. Experienced staff member inspects incoming loads and removes valuable items.

Operational Services Report No. 8/2017 Cont'd...

- Focus on diverting waste from landfill, and creating jobs (often for people who otherwise find it difficult to gain employment).
- Limit hours of operation to the most profitable, whilst maintaining reasonable access for the community.
- Diversify - look for opportunities to reduce waste whilst earning extra income for the operation.
- Value add - such as disassembling items that cannot be resold into their separate parts. Also 'upcycling'.
- Separate items out as much as possible, this attracts a higher selling price for materials for recycling.
- Staff who can complete the tasks and do not require high levels of supervision.

Where salvage yard operations work best, they are located in conjunction with Council's transfer station, and so serve as a "one stop shop" for disposing of unwanted items and waste.

When considering establishing a salvage yard the two documents listed below should be read in conjunction with this report:

- Find Workable Solutions (FWS): "Recycling Business Options for Eucalypt Drive, Mount Gambier" (AR16/33484).
- Community Recycling Network Australia: "Operating a Sustainable Community Recycling Enterprise" (AR16/36377).

Natural Step Framework

Council formally adopted the Natural Step Framework on 20 May 2008, to guide future actions which can lead to greater social, environmental and economic outcomes. The four system conditions of the Framework are listed below.

To become a sustainable society we must...

1. Eliminate our contribution to the progressive build-up of substances extracted from the Earth's crust (e.g. greenhouse gas emissions, toxic metals etc.).
2. Eliminate our contribution to the progressive build-up of chemicals and compounds produced by society (e.g. plastics, synthetic chemicals etc.).
3. Eliminate our contribution to the progressive physical degradation and destruction of nature and natural processes.
4. Eliminate our contribution to conditions that undermine people's capacity to meet their basic human needs.

The development of a salvage yard would assist Council work towards meeting all four of these conditions, for example:

1. Reusing items means that there are far less substances from the Earth's crust building up - creating a new item results in a far greater amount of GHG emissions than reusing an item.
2. Reusing items means that there is far less synthetic materials being created. When an item is reused it means that a new item does not need to be manufactured.
3. Reusing items reduces the demand on virgin materials, including water, native forests and other materials.
4. Salvage yards provide items at very economical prices, enabling local people to more easily meet their needs.

Aims

The ultimate aims of re-establishing a salvage yard in Eucalypt Drive include the following:

- Divert waste from landfill through beneficial reuse and recycling.
- Extend the life of Caroline Landfill.
- Be financially self-sustaining.
- Offer an ongoing hard waste solution.
- Provide employment opportunities (particularly for people who would otherwise find it difficult to gain employment).
- Reduce waste costs for Council and community members.
- Provide opportunities for community involvement.
- Reduce illegal dumping.
- Provide opportunities for the community to beneficially reuse items and materials.
- Contribute to guiding the community to more informed, sustainable choices and behaviour.

Key Performance Indicators (KPIs)

Below is a list of possible KPI's to measure the success of a salvage yard operation:

- Financial performance - measurement of annual income and expenditure, also average daily income and expenditure.
- Tonnes of waste diverted from landfill - all items should be weighed before they leave the shop (where practicable to do so).
- Avoided emissions - related to tonnes of waste, avoided emissions can be calculated.
- Number of full time equivalent staff.
- Number of customers per day in the shop.
- Number of customers per day off loading items.
- Presence of materials in landfill bins that could have been reused or recycled.
- Customer satisfaction rates.

Once the salvage yard has been established and starts to diversify consideration could also be given to these potential KPIs:

- Number and type of education activities undertaken.
- Level of involvement of community groups.
- Number of staff employed from disadvantaged backgrounds.
- Number of volunteers.

Operational Model

Location - 3 Eucalypt Drive vs 5 Eucalypt Drive

In terms of the location of the salvage yard, Council could utilise either 3 Eucalypt Drive (the former salvage yard site) or 5 Eucalypt Drive (the current Waste Transfer Station).

If 3 Eucalypt Drive were utilised then all residential and light commercial traffic would need to be directed through the salvage yard before being allowed to go on to the Waste Transfer Station (WTS). Loads would be checked for any salvageable items, with residual being left in the vehicle to be taken to the WTS.

In most cases it is expected that the customers that off load material at the salvage yard will receive a reduced fee to enter the WTS because their load has been reduced by at least one "load increment" (e.g. a heaped load becomes a small trailer load with a cheaper gate charge).

Operational Services Report No. 8/2017 Cont'd...

This site would require Eucalypt Drive to be altered, as well as a large roofed structure to provide under cover off-loading and sorting, as well as under cover placement of larger items for sale (building materials, bicycles etc.).

If 5 Eucalypt Drive were utilised then the site would require a large roofed structure to provide under cover off-loading and sorting, as well as under cover placement of larger items for sale (building materials, bicycles etc.). This structure would also need to incorporate an enclosed shop for more sensitive items like antiques, electrical items etc., a workshop, toilets, and potentially contained office space. Customers would drive into the site, have their loads checked, and then pay for any residual waste. From an off-loading customer perspective it would operate very similar to the current arrangements, with the additional step of having their load checked for salvageable items before paying for the residual waste.

The advantages and disadvantages of each site are listed below.

3 Eucalypt Drive (Former Salvage Yard Site)

Advantages

- History and continuity with location of previous operation.
- Site already contains a large shed with offices. Initial capital costs are significantly lower than if the WTS site is used.
- If the salvage yard failed the whole site could be sold. If a large roofed structure is added this could potentially be sold separately if desired.
- If at a future stage Council decides it is best if another organisation runs the salvage yard it is much easier to hand over.
- Existing offices could possibly be used for overflow Council office accommodation.

Disadvantages

- It would be difficult to incorporate much additional parking in to the site, especially for vehicles with trailers.
- There may be inadequate space to expand operations if the salvage yard experienced high levels of success.
- Opportunity cost for funds from sale or lease of site.

5 Eucalypt Drive (Current Waste Transfer Station)

Advantages

- Ample space. The site can easily accommodate all necessary infrastructure, including parking for vehicles with trailers, and expand if needed.
- Easy for customers - they can off-load salvageable items and waste at the same site. If they want to shop as well it's all at the one site.
- Sell or lease 3 Eucalypt Drive site. Sale of site could be used to fund infrastructure at WTS (in addition to State Government funding that has been awarded).

Disadvantages

- Initial capital costs would be significantly higher.
- If the salvage yard component were to fail Council is left with the infrastructure – though a use could possibly be found for these, or some components dismantled and sold.
- If at a future stage Council decides it is best if another organisation runs the salvage yard it is more difficult to hand over, if the operation of the WTS component is desired to be retained by Council.

Operational Services Report No. 8/2017 Cont'd...

The presence of an existing shed and office space, and hence significantly less capital cost, has led to 3 Eucalypt Drive (former salvage yard site) being recommended as the preferred location to re-establish a salvage yard. Also, if Council should decide in the future to outsource or cease the operation then transfer of responsibilities or ownership is much more straight forward.

This report will recommend the use of 3 Eucalypt Drive.

Possible Activities - Initial Phase

If Council decides to re-establish a salvage yard and run it, then a lead up time of at least six to twelve months would be required. In that time Council would need to recruit a site coordinator and establish a mentor relationship with an organisation that operates an existing successful salvage yard. If the site coordinator does not have direct experience with salvage yards, then they could potentially go and work at another site for a short period of time to gain experience, ideas and contacts.

It would be important for the salvage yard to be attractive to customers right from the opening day. Hence, items would need to be extracted from the current WTS waste streams and set aside to be placed in the salvage yard in preparation for the opening day.

Infrastructure would need to be built - a minimum of a large shed to encompass an off-loading area as well as display items under cover. More details are contained in section 7 "Physical Layout & Infrastructure Requirements".

Site Coordinator

The success of any potential salvage yard operation will be largely dependant on the recruitment of the Site Coordinator. Finding the right person for this role will be very important. The ideal would be to recruit someone who has previous experience in running a successful salvage yard. If such a person cannot be recruited, then a person would need to be recruited who has good business experience, has good people and networking skills, and is a quick learner. The Site Coordinator should be passionate about reducing waste to landfill and good at researching. They should be enthusiastic and able to develop knowledge from both mentors and their own research.

There may be the potential to send selected salvage yard staff, including the Site Coordinator, to existing salvage yards for short periods to get some first hand experience, and make connections with experienced people. The host site gets a free worker for that time, in exchange for mentoring them.

More details on the skills and abilities required of a Site Coordinator are contained in the Find Workable Solutions (FWS) report "Recycling Business Options for Eucalypt Drive, Mount Gambier" (AR16/33484), page 12.

Staffing Levels & Opening Hours

It is proposed that the salvage yard initially be opened only one day a week – Saturdays (9am-3pm). This is based on the experience of other salvage yards where opening hours are restricted to the most profitable, in order to reduce staffing costs and maintain the profitability of the operation.

Saturdays: 1 staff member in the salvage yard shop, and 3 staff members covering unloading/picking, sorting and charging WTS fees.

Other Days: 3 staff members covering unloading/picking, sorting and charging WTS fees. In addition, the shop attendant may be required on Fridays to restock the shop, put valuable items for sale online etc.

Operational Services Report No. 8/2017 Cont'd...

Opening hours and staffing levels can be adjusted as the site progresses and requirements become more evident. Time will enable the Site Coordinator to get a gauge on customer levels, and staffing costs vs income for different opening times etc. The current WTS Operator(s) should be included in the above staff.

Initially staff levels should be basic, potentially supplemented by volunteers or other staff. Volunteers and other staff could do general jobs, gardening, site improvements, upcycling etc. as they are available.

It is important that any staff surplus to the above need to pay their way, their activities need to generate enough income to cover their wage, as an absolute minimum.

If the salvage yard is very successful then expanded opening hours could be explored. Initially one half weekday in addition to Saturdays, then expanded from there if it is economically viable.

General Activities

The following is a list of general activities that the salvage yard could undertake from the beginning of its opening:

- Community Recycling Network Australia (CRNA): "Operating a Sustainable Community Recycling Enterprise" (AR16/36377) has a lot of good information regarding operating a salvage yard, including sections on weekly meetings, daily record sheets, policies and procedures, a good list of typical items recovered, and lots of other topics. <http://www.communityrecycling.com.au/e-book.html>
- In the lead up to the establishment of a salvage yard, the WTS Operator(s) should keep an eye out for salvageable items, and set them aside for sale in the salvage yard. Council needs to start collecting long before opening. The salvage yard must have an attractive range of products from opening day.
- The salvage yard needs to have a good range of stock, professional appearance, customer service etc. from Day 1. People need to have a good experience every time, so they come back and spread the word.
- In the lead up have a big banner at the WTS advertising the opening day.
- Facility should have good signage and clearly demonstrate that recovery activities are occurring.
- Handling should be kept to a minimum, as any staff time (costs) need to be recovered through sales.
- Good customer service is critical. Customers will often make decisions based on only one shopping experience. Potentially look at which businesses do customer service well in Mount Gambier, and invite them to talk with staff. Maybe get professional training.
- Everyone likes a bargain and they will tell their friends. It's better to price items cheaper initially, then adjust over time if necessary. Customers go to salvage yards to get a bargain, this should not be underestimated.
- Formulate a plan for how the rotation of stock will be managed. Some other sites use a sticker system. If stock is not turned over regularly then customers will not return.
- Research the internet to see approximately what items are worth before finalising a price. Staff need an awareness of what price items are actually worth, whilst keeping in mind that customers visit the site for a bargain. Items that have a high value, such as antiques, could be sold online for a higher price, other items should be priced economically to ensure customer attraction and stock turn over.
- In the initial phases of the salvage yard a mentoring relationship with an experienced organisation will be important.
- Need to get professional marketing assistance.
- Be open to, and maximise, community involvement.
- Consider branding/marketing differently from mainstream Council activities, in order to emphasise openness to community involvement, and that the site assists with providing

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employment for disadvantaged people e.g. consider naming the venture something like "Mount Gambier Community Salvage Yard", with tag lines such as "Come and Explore" "Sort & Save" etc.

- Emphasise not for profit, waste diversion, and employment creation - Save money, support (disadvantaged) employment, and help the environment.
- In communications material emphasise social benefits of using the waste resource to generate meaningful local employment. People therefore feel good about donating items and are more likely to do so.
- Make extensive use of online presence and social media - for promotion and selling. Use Ebay, Gumtree, Facebook etc.
- Keep finger on the pulse with what other salvage yards etc. around the world are doing.
- Become a member of CRNA.
- Run a "Sort & Save" campaign, encouraging customers to sort their loads so they can be easily assessed by staff, and customers save money on WTS fees.
- Light commercial loads should also be checked - they often have items and materials that can be reused or upcycled.
- Keep records on goods inwards and sales of goods. Need good record keeping to measure the impact and progress of the operation.
- Landfill Operator should keep an eye out for salvageable items that may be dumped at Caroline Landfill and set them aside. The Site Coordinator could go pick them up when the salvage yard is closed.
- Encourage community members to submit their reuse / upcycling ideas - online, and also have a big board at the site.
- Also attach labels and photos of reuse ideas on to particular items e.g. "Could this be your new garden table?" etc.
- Have a 'gold coin donation' corner for items that it's unlikely people will buy, but they might take it for 'free'. Even if items are given away, Council will save money on landfill costs and reduce waste to landfill. This also adds to the appeal of the site, and encourages return visits and spreads the word.
- Keep recovery equipment to a minimum initially, only purchase if it will pay for itself.
- Develop a list of potential tasks, divided into tasks for Council staff, other staff, and volunteers e.g. potential tasks for staff in between customers could include online price research, disassembly/processing items, tidy site, familiarise with stock, landscaping, admin tasks etc.
- Have a standard pricing system (so far as possible) for different types of items.
- Have a strict no haggling policy.
- On call hard waste collection. May need to charge a small fee. Staff take for free any items that can be sold in the salvage yard, and charge for items that cannot.

Possible Future Activities

The following is a list of general activities that the salvage yard could potentially undertake in the future if it is successful and can expand its operations. Many of them are activities that other successful salvage yards undertake.

- Invite volunteers to do a task, if they can earn a wage through it then the salvage yard gives them a job e.g. computer refurbishment, wire stripping, dismantling etc.
- Computer refurbishment and resale.
- Repair and/or upcycle/value add to items. Staff time costs need to be incorporated into the sale price of these items.
- Make wicking box and planter box kits from old timber.
- Investigate if it is cost effective to consolidate and transport recyclables - including various types of metals.
- Sort Council's stockpile of bricks and pavers into pallet loads, and smaller, for resale.
- Also investigate if there are bricks, pavers and stone blocks in the stockpiles at Caroline Landfill that could be resold.

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- Investigate the possibility of establishing a relationship with local antique dealers.
- Target local builders and waste contractors, if they have reusable materials the salvage yard could take them, saving them waste costs.
- Hold workshops on how items can be upcycled.
- Test and tag working electrical items. Consider repairing electrical items and white goods.
- Run 'Repair Café' sessions where participants learn how to repair items rather than discard them. good examples: Bower Reuse & Repair Centre <http://bower.org.au/> and <http://www.reconomy.org/the-journey-of-setting-up-a-reuse-and-repair-centre-a-solution-for-a-circular-economy/>
- Consider purchasing a polystyrene extruder to compact polystyrene so it can be more cost effectively transported for recycling instead of taking up space in landfill - if the specific cost/benefit analysis is favourable.
- Give broken bricks / pavers / rubble away to farmers for free if they collect. They can use it around stock troughs, gates etc.
- The site could potentially provide work for people who otherwise find it difficult to gain employment.
- Site could potentially raise funds for local community groups.
- Coffee stand on Saturday mornings. Train up one or more people to be a barista (perhaps someone from a local community group). Initially just coffee, then biscuits etc., then other food that goes with coffee. There may be a possible opportunity to work with one or more community groups to provide the treats. Keep track of sales vs the wage of the barista. Have a few tables and chairs made from recycled materials. Possible small garden. Idea is to make the site even more appealing, and encourage people to stay and browse for longer. Give a discount for bringing a re-useable mug.
- Train multiple staff members and/or volunteers to repair and maintain bicycles.
- Consider having a shopfront in the main street.
- Possibly co-locate other activities on to the site that could attract even more customers.
- Investigate selling items on a type of commission basis e.g. an older practical person comes in and creates something out of materials at the site, the salvage yard then sells it. Consider any implications to running the operation as a 'not-for-profit' operation.
- Consider making a demonstration 'tiny house' from recycled materials e.g. <http://bower.org.au/artist-residence/>
- Collect, sort and bale recyclable materials - cardboard and paper, plastics, metals etc. Mentor agencies could advise on the viability of these activities.
- Test domestic batteries collected at the Library for recycling. Sell any batteries that still have a good amount of charge left in them.
- Degas fridges and take them apart to recover valuable parts.
- Split unusable timber and package for firewood (kindling).
- Logs from Council tree prunings could be sold for firewood.
- Once the salvage yard has been operating for a year and electricity requirements are well understood, consider installing a large solar system at the site.
- Consider installing rainwater tanks at the site to provide for the site's water use.
- Consider installing a demonstration 'compost heater' at the site, made from materials from the salvage yard. Use the construction of the compost heater as a demonstration workshop.
- Run a strong community education program aimed at reusing items, upcycling, reducing waste to landfill, repairing etc.
- Install a demonstration garden - including recycled materials.
- Possible (free) space for community meetings, workshops etc.
- The Denmark Tip Shop in Western Australia operate the "Tiporium Teahouse" using second hand furniture and kitchen equipment. This casual café enables people to make a cup of coffee or tea while visiting the Centre.
- The same site also has a "Funk Junk Music" section, which provides "junk" musical instruments for visitors to play and runs regular Junk Funk music sessions at the Tip Shop. In addition, the Tip Shop works with Denmark Arts, The House and other organisations to run cultural and recycling education projects which are linked to the Tip Shop. Additionally, they

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hold exhibitions, performances and installations at the Tip in music, stencil art, writing and sculpture.

- The site also has an “appropriate technology facility”, which is a section which demonstrates the use of worm farms and other technology which will reduce waste and enhance sustainability. This section of the facility includes:
 - a demonstration solar dryer.
 - worm farms.
 - other innovative appropriate technology demonstration sites; and
 - a program to work with local restorers to display repaired furniture and other items.
- Excess stock from local op shops could be sold for a gold coin donation, or given away for free.
- Community groups could do a sausage sizzle on Saturdays, to raise funds, and have some food and drinks for customers.

Possible Partnerships

The salvage yard will be much more successful if it builds strong partnerships with the local community. These partnerships could come in many forms including, but not limited to, employment, volunteers, community education, fundraising etc. Ideally partnership activities undertaken will be cost neutral or positive for the salvage yard. There are a wide and diverse range of local groups who may be interested in working with the salvage yard in some form. One of the tasks of the Site Coordinator would be to make contact with local groups and see how they may get involved in the salvage yard, for the benefit of both organisations.

Regarding Potential Competition with Charities

Competition with op shops and other charities is expected to be a minor issue, especially if the salvage yard is also not-for-profit and benefitting disadvantaged people. There are many items that existing charities do not accept that could potentially be sold (or given away) at the salvage yard. This may include items such as building materials, white goods, electrical goods, computers, printers, incomplete goods, car parts, barbeques, bicycle helmets, walkers, bouncinettes, high chairs, prams, swing sets, trampolines, washing lines, spa baths, televisions and many more. The salvage yard could potentially work with local charities if people are wanting to donate items that they do not accept, but the salvage yard could.

Business Model

This section contains a high level proposed business model for the salvage yard. Given the operation is essentially starting from scratch, it should aim to be profitable within three years of opening, preferably sooner.

Pricing needs to achieve the balance of contributing to being self-sustaining, but also ensuring that people can get a bargain – getting a bargain is what attracts people to a salvage yard. Staff need to have flexibility to determine prices to achieve this balance. There needs to be a high turn over of stock to keep customer interest.

With regards to residual waste, it is recommended that the WTS have a dual pricing arrangement whereby unsorted loads are charged at possibly 2-3 times the price of a sorted load. Numerous transfer stations around the country have found this to be an effective tool in encouraging customers to sort their loads before arriving at the salvage yard / transfer station.

Hard Waste

The salvage yard would provide an outlet where the community can drop off their hard waste items for free. The salvage yard will also offer a hard waste pick up service. Any items that could be sold through the salvage yard would be taken for free. Any items that cannot be sold could be taken at

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the WTS rates. The service could be provided for a call-out fee that covers costs. It is envisaged that residents with the means will drop off their hard waste items to the salvage yard for free. Residents who are not able-bodied, or don't have access to a trailer etc., can access the pick up service for a fee. Council could potentially subsidise this service in lieu of providing a municipality wide kerbside hard waste collection, or free dumping passes.

It is estimated that a one-off hard waste collection for the city would cost approximately \$250,000. This does not include any processing costs, so the vast majority, if not all, of this waste will go to landfill, despite much of it being suitable for reuse or recycling. This is not a good environmental outcome, nor a good community outcome. Items that are taken to the salvage yard are reused or recycled, and made available to the community again at cheap prices.

Kerbside hard waste collections are notorious for creating hazards. Inevitably residents put out items that are not able to be picked up for WHS reasons, and so remain on the kerbside and degrade the visual amenity of the neighbourhood. In other municipalities they have reported physical altercations over items that have been placed on the kerbside.

A salvage yard is a far better option for hard waste – the items are reused or recycled, can be collected on call, most are dropped off by residents direct to the site, and WHS issues are significantly reduced. This option is cheaper for Council (and ultimately ratepayers), leads to better environmental and community outcomes, and poses significantly less risk. It is also a year-round service, as opposed to a once off collection.

It is estimated that providing four (4) free dump passes to each rateable property in Mount Gambier could result in direct costs to Council of \$916,000 per annum, which equates to a rate increase of approximately 5%.

The salvage yard could deliver a hard waste option to the community at a far cheaper cost, and provide greater benefits for the local community and environment.

Income

Salvage yards generate income from the activities listed in the "General Activities" and "Possible Future Activities" sections above. The bulk of their income comes from sales of items at the salvage yard.

Looking at annual income generated at other salvage yards compared to the size of the local population, a conservative estimate for an annual income to be generated at a salvage yard in Mount Gambier would be approximately \$48,000 - from sales of items at the salvage yard. Based on the experience of other salvage yards, an annual income estimate of \$48,000 is considered quite conservative. It could be much higher, even up to \$140,000 per year or more.

Many salvage yards conduct other income generating activities. Any income generated from other activities would be a bonus.

One of the tasks of the Site Coordinator would be to research and apply for training funds, and any other applicable grant opportunities – as well as potential income generating activities.

Costs

Potential costs of running a salvage yard have been based on investigations of existing salvage yards, and examining costs of running other Council operations.

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Capital Costs

Below is a list of **capital costs** that would be incurred in the establishment of a salvage yard.

Item	Cost
Preliminary site works	\$5,000
Footings	\$20,000
Services	\$25,000
Framing / construction	\$60,000
Slab	\$40,000
Hardstand / vehicle access Carpark	\$100,000
Storm water	\$5,000
Signage	\$5,000
Bays / skips	\$70,000
Fit Out / Equipment	\$30,000
Eucalypt Drive road modifications	\$100,000
Building modifications – public shopfront etc.	\$50,000
Internal site works – roads and car parking	\$50,000
Total:	\$560,000

There is \$100,000 of funds in the 2016-2017 Council budget for capital works related to a salvage yard. In addition, Council has been successful in gaining a \$150,000 recycling infrastructure grant from the Office of Green Industries (supporting Zero Waste SA). The outstanding funding may be able to be partly covered through the sale of plant that is no longer required for Council operations.

Operational Costs

Below is a list of per annum **operational costs** that would be incurred if Council established a salvage yard, and so are above Council's current overall operational budget. These costs do not include non avoidable costs, which are costs that will not change whether a salvage yard is established or not. These costs include items such as depreciation on the current infrastructure at 3 Eucalypt Drive, and internal overheads associated with corporate staff time. It is not envisaged that Council will hire additional corporate staff as a result of establishing a salvage yard.

Item	Cost
Staff	\$120,000
Office costs (equipment, insurance etc.)	\$6,500
Information Technology	\$11,000
Utilities	\$10,000
Marketing	\$10,500
Depreciation	\$12,500
Contingency	\$7,500
Total:	\$178,000

Business Model Summary

Based on the above information, at the low end of the income estimate the operation of a salvage yard would result in a net operating deficit of \$130,000, above Council's current overall operational budget. However, based on the experience of other salvage yards, an annual income estimate of \$48,000 is considered quite conservative. There is a reasonable likelihood that actual income will be higher than this. Also, running a salvage yard delivers the other benefits mentioned in this document - hard waste options for the community, reduction in waste costs for the community, a site where community members can procure items for reuse that are not currently available, reduction in waste to landfill, conservation of resources, and reduction in illegal dumping.

Physical Layout & Infrastructure Requirements

Establishment of Salvage yard at 3 Eucalypt Drive (Former Salvage Yard Site)

If a salvage yard is established at the former salvage yard site a wide span structure will be required for storing less sensitive items such as building materials, bicycles etc. that do not need to be stored in the shop. The structure should be large enough to incorporate an unloading area. A small extension should be added to the existing building to establish a shopfront presence that is visible from the street.

Ideally extra car parking should be provided, especially for vehicles with trailers - though space at the site is limited, so it is likely that only a small number of these spaces would be able to be accommodated.

An indicative layout for establishing the salvage yard at the former salvage yard site is contained in Attachment 2.

Environmental & Community Benefits

The salvage yard has the potential to be cost neutral to Council, whilst delivering numerous benefits. Such an operation would deliver many community and environmental benefits, which are outlined in this section.

CHAT Assessment

The internally developed CHAT Tool enables Council to assess any potential project or program from a holistic perspective. It takes into account not only the financial aspects of a potential project, but also the environmental, social and governance aspects as well. If a project is assessed and achieves a score of 70 or more then the project is deemed to improve the holistic performance of the organisation.

The potential salvage yard project has been assessed by four separate staff members and achieved an average score of 72.5% - making the salvage yard a good holistic project, which would improve the holistic performance of the organisation.

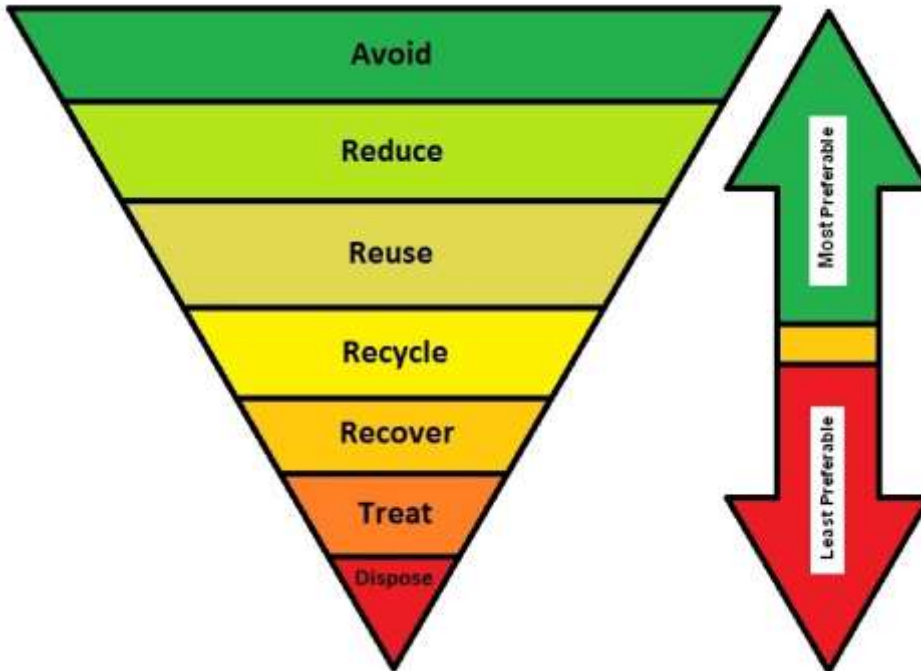
Natural Step Framework

As stated in the "Background" section of this document, the development of a salvage yard would assist Council work towards meeting all four of the Natural Step system conditions, for example:

1. Reusing items means that there are far less substances from the Earth's crust building up - creating a new item results in a far greater amount of GHG emissions than reusing an item.
2. Reusing items means that there is far less synthetic materials being created. When an item is reused it means that a new item does not need to be manufactured.
3. Reusing items reduces the demand on virgin materials, including water, native forests and other materials.
4. Salvage yards provide items at very economical prices, enabling local people to more easily meet their needs.

Waste Hierarchy

The Waste Hierarchy is a set of priorities for the efficient use of resources. It is an order of preference and states that waste should be managed in accordance with the hierarchy, with avoidance being the most preferred option and disposal being the least.



Council should manage waste as high up on hierarchy as possible. A salvage yard would enable Council to manage waste further up on the hierarchy than currently takes place. Salvage yards lead to waste not being created in the first place, and much higher levels of reuse and recycling. Such operations result in significantly less waste being sent to landfill.

Waste Avoidance / Diversion from Landfill

A salvage yard would potentially divert 100-350 tonnes of waste away from landfill, possibly more, depending on the levels of patronage the site may receive. It would also enable a further 100-400 tonnes of material to be managed higher up on the waste hierarchy than presently happens.

There are significant amounts of materials that currently go through the WTS that could be reused or recycled. A salvage yard would enable this to occur.

In addition to reducing the overall amount of waste to landfill, the environmental risks of groundwater contamination and air pollution are also reduced - as are greenhouse gas emissions.

Savings on Energy, Water & Materials

The major activity of most salvage yards is to sell items for reuse. Reusing an item is far better for the environment than manufacturing an item from virgin materials. Creating an item from scratch uses significantly more materials, energy and water than recycling. Even better than recycling, reusing (and 'upcycling') an item essentially uses no material or water, and only a negligible amount of energy transporting the item to a new location. Hence salvage yards contribute to saving large amounts of materials, energy and water.

Due to the wide variety of items and materials that salvage yards sell it is difficult to quantify the exact amounts of materials, energy and water that would be saved. It is fair to say that reusing 100-

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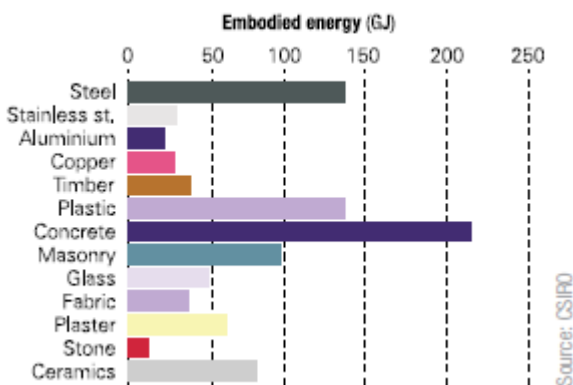
750 tonnes of items and materials would lead to significant savings. Not only are there environmental savings, but also financial savings - as materials, energy and water all cost money.

Here are a few examples:

- Recycling an aluminium can requires less than 5 percent of the energy that would be expended in creating a similar can out of fresh bauxite ore.
- Recycling plastic requires only 10 percent of the energy needed to create new plastic from raw materials.
- Producing steel from recycled material saves 75 percent of the energy needed to make steel from virgin material. Reusing steel items doesn't use any energy.
- Every tonne of paper recycled saves 2.5 barrels of oil, 4100 kWh of electricity, 4 cubic metres of landfill and 31,780 litres of water.
- A recycled paper product requires only 60 percent of the energy required to create one from fresh wood pulp.
- Recycling a tonne of paper can save 17 trees.
- Recycling paper also requires about half the water normally used in processing paper from virgin wood.
- Recycling glass saves about 30 percent of the energy cost of producing new glass. Reusing glass bottles and jars, however, requires no energy whatsoever – so you can reduce energy use by finding new uses for these containers instead of simply throwing them out.
- To produce a 2 gram computer microchip, 1.6 kilograms of fuel are needed. This equates to 72 mega joules (or 20,000 watt-hours) to produce a 2 gram microchip. Computers typically have 18 to 36 two-gram microchips. This equates to 1,296 to 2,595 mega joules of embodied energy for the computer memory alone – or 360,000 to 720,000 watt-hours – enough to power a 30 watt laptop *non-stop* for 500 to 1,000 days. The embodied energy of the memory chips alone almost exceed the energy consumption of a laptop during its life expectancy of 3 years.
- A motor car has an average embodied energy content of 20, 800 kWh.

“Embodied energy” is the energy consumed by all of the processes associated with the production of a product, from the mining and processing of natural resources to manufacturing, transport and product delivery – considered as if that energy was incorporated or 'embodied' in the product itself. When an item is disposed to landfill this energy is essentially lost. If a new product must be manufactured in its place then a new lot of energy must be consumed to manufacture the product. Reusing items preserves this embodied energy, leading to overall energy savings. “Embodied water” is the same as for energy, but considers the water used to fabricate a product.

Below are two tables that indicate the embodied energy and eco-profiles of various materials:



Manufacturing One Pound of the Material	Energy Used (kWh)	Water Used (litres)	Solid Waste (kg)	CO ₂ Emissions (kg)
Wheat-Straw	0.66	50.46	n/a	0.31
Sugarcane Bagasse	1.73	54.55	n/a	0.78
Corn PLA	5.37	31.38	0.019	0.59
Virgin Coated Paperboard (SBS)	5.2	46.86	1.06	1.45
100% Recycled Paperboard (SBS)	3.06	13.36	0.61	0.78
PET (Polyethylene)	10.28	28.20	0.039	1.27
PP (Polypropylene)	9.34	19.38	0.013	0.76
EPS (Polystyrene / Styrofoam)	11.28	77.75	0.051	1.14

As an example, the energy embodied in a standard double glazed 1.2 m × 1.2 m aluminium clad window has been calculated, and is quantified as 1459 MJ, 1967 MJ, and 5.96 GJ respectively for Argon, Krypton and Xenon infill gases. The energy consumed in powder coating the window cladding has been estimated to be 27 MJ and the total embodied energy of adding aluminium cladding to the window has been evaluated as 724 MJ.

If a window is reused then all of this energy is preserved. If the window is disposed and a new one manufactured in its place, then this amount of energy will need to be consumed again.

These statistics all highlight that it is much more beneficial to the environment and the community to reuse items, rather than dispose and procure new items. Reuse saves large amounts of materials, energy and water.

Social Benefits

Salvage yards deliver many social benefits, and are generally very popular with local communities. Salvage yards often employ local people who would otherwise find it difficult to find employment. When people donate items and shop at salvage yards they do so knowing that the funds are being used to help people in need.

Salvage yards often act as community hubs and involve many local community groups including arts groups, service clubs, music groups and environmental groups. They often have an educational component, which assists local communities to learn new skills, engage with other residents and reduce their environmental impact. One common example are ‘repair cafés’ where residents come to learn how to repair household items, rather than just dispose of them and purchase a new one.

A salvage yard in Mount Gambier also has the potential to attract visitors to the town. At present, there is no operation in the region similar to a salvage yard. It is reasonable to expect that many people will travel to Mount Gambier to visit the salvage yard and shop there.

Yet another advantage of salvage yards is that they often provide a hard waste service. Residents who are able can drop off their hard waste items to the site for free. Residents who do not have the ability or the means can access an on call hard waste service. This service is generally provided at a fee that covers costs. Hence, a salvage yard could deliver a hard waste service for Council at a substantially reduced overall cost, compared to providing a one-off kerbside service. This kind of

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service delivers many other benefits, including supporting the community, reusing and recycling the hard waste, rather than disposing to landfill - and does not have the difficult WHS and public safety issues that come with kerbside hard waste collections.

Summary of Environmental & Community Benefits

Salvage yards deliver many social benefits, and are generally very popular with local communities. As stated in the "Introduction" section - there are strong links between the Community Plan and a salvage yard. There are also strong links between a salvage yard operation and the Natural Step Framework. A salvage yard would help move Council towards satisfying the four system conditions of the Natural Step Framework. According to the CHAT Tool it would also improve the holistic performance of Council.

There are significant amounts of materials that currently go through the WTS that could be reused or recycled. A salvage yard could potentially divert 100-350 tonnes of waste away from landfill, possibly more. It would also enable a further 100-400 tonnes of material to be managed higher up on the waste hierarchy than presently happens.

Every item that is produced contains materials, and also required energy and water to be used in its fabrication. When an item is disposed to landfill then the materials and embodied energy and water are lost - literally wasted. Diverting 100-350 tonnes of waste away from landfill will save significant amounts of materials, energy and water from getting wasted.

Impact on Council Budget

Costs for the salvage yard are detailed on page 11 of this report. In the current 2016/2017 budget \$250,000 is available and if the project proceeds this amount needs to be carried forward into the 2017/2018 budget. A further \$300,000 capital is required in the 2017/2018 budget to complete the salvage yard capital construction costs. It is anticipated that \$40,000 in operational costs is necessary in 2017/2018 to commence operation in the 2017/2018 financial year and this amount has been allocated in the draft budget.

When in full operation from 2018/2019 it is anticipated that \$178,000 per annum is required, less any income from the sale of items. Income is difficult to forecast especially in the initial year and hence an operational amount of up to \$178,000 will need to be included in the 2018/2019 budget and thereafter. This will have a material impact on future budgets.

Further to the salvage yard costs Council will have rising operational costs for the Riddoch Art Gallery due to decreased grants from Country Arts SA. Other initiatives requiring future funding from 2017/2018 and onwards includes implementation of the Digital Strategy, Tourism Signage Strategy, visitor services and a range of economic development projects. At this time costs for these projects, both capital and operational, are difficult to quantify and may require loan funding to implement as Council's budget, whilst currently balanced, is not able to meet all anticipated future programs from non loan revenue.

Hence, there is an opportunity cost of proceeding with the salvage yard at the potential delay or exclusion of other programs and initiatives.

Summary

Council has released a Request for Expression of Interest to run a salvage yard by a third party on two occasions. These have not resulted in a satisfactory outcome for Council to date. This document explored the option of Council running the salvage yard. There are numerous advantages of Council running a salvage yard itself.

If Council were to run a salvage yard itself it would have control over every aspect of the operation. Council can determine how the operation is run, the outcomes, level of community involvement, financial return and environmental benefits. A Council run salvage yard would have the ability to call

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on assistance from a wide range of Council staff when required, an advantage that many other organisations would not have.

A salvage yard previously operated in Eucalypt Drive in Mount Gambier for a number of years. One of the main reasons for the ultimate failure of the venture is that the operator shifted focus to other areas of their business, and failed to give the site the attention it needed.

Learning from this lesson, and from many successful salvage yards around the country, this document outlined how a successful salvage yard could be established in Mount Gambier - run by Council.

There are strong links between the concept of a salvage yard and the Community Plan, through its encouragement of:

- Employment opportunities.
- Diversifying local business.
- Social inclusion.
- Skilled and educated people.
- Reducing waste.
- Protecting the environment.

The establishment of a salvage yard would assist Council in meeting numerous goals of the Community Plan, as well as the conditions of the Natural Step Framework. It would assist in improving Council's holistic performance.

On balance and reflection, it appears that at the present time the former salvage yard site (3 Eucalypt Drive) offers more advantages to the establishment of a Council run salvage yard than 5 Eucalypt Drive. The existing building is a very useful asset, and will lead to significant savings on capital costs compared to 5 Eucalypt Drive. As it is separate from the WTS the future management and ownership of the site and operation is also more flexible.

The list of factors that are common to successful salvage yards listed in the "Background" section are very important when considering establishing a salvage yard, including recruiting an appropriate person to be the Site Coordinator.

It is estimated that the operation of the salvage yard will cost approximately \$178,000 p.a. to run, above the current budget. This is *before* revenue from the salvage yard is taken off this amount. It is difficult to determine exact revenue at this stage, but could be in the vicinity of \$48,000-\$140,000. One reference site which is council-operated runs at a slight loss, <3% of total revenue. A second reference council-run site runs at a profit.

The salvage yard offers the potential of providing a year round hard waste service for the community at significantly smaller cost compared to once a year collections. The cost of running a salvage yard, which would provide hard waste options to the community, could be undertaken for between \$130,000 and zero net cost, for the whole operation. This is compared to \$250,000 for a once off hard waste only collection, or \$916,000 p.a. for 4 free dump passes per property. Collecting through the salvage yard will also lead to much more beneficial environmental and community outcomes.

Salvage yards are very popular with local communities. They provide the community with a method of disposing of many of their unwanted items for free, with the proceeds going to providing employment, often for disadvantaged people, and supporting the community. Salvage yards are a place where people can get a bargain, and make beneficial reuse of items that would have otherwise ended up in landfill. They are often places of creativity, transforming unwanted items into new objects through 'upcycling'. Salvage yards are often a hub for community education, holding workshops and talks and teaching people how to repair items, rather than discarding them. They have the potential to divert many tonnes of waste away from landfill, leading to both environmental and financial benefits. Not only is waste to landfill decreased, valuable virgin resources, energy and water are also saved. Salvage yards enrich a local community, and the establishment of a salvage yard would be an asset to Mount Gambier and the wider region.

Operational Services Report No. 8/2017 Cont'd...

Attachment 1 is an Indicative Time Frame for the implementation of the Salvage Yard proposal.

RECOMMENDATION

- (a) Operational Services Report No. 8/2017 be received:
- (b) Council recognise the substantial benefits in the provision of a salvage yard facility for the Mount Gambier community and now proceed to undertake the detailed design and costing for a facility in line with this report:
- (c) Council endeavour to allocate additional funds in the 2017/18 budget to meet any short fall in anticipated capital costs and operational costs to establish the facility, and also set a target opening date of 1 July 2018.



Per:

Aaron IZZARD
ENVIRONMENTAL SUSTAINABILITY OFFICER

sighted:



Mark McSHANE
CHIEF EXECUTIVE OFFICER

Attachment 1: Indicative Time Frames
Attachment 2: Indicative Layout

AF14/34
5th April, 2017
SW

(Refer Item of Operational Services Committee Minutes)

Attachment 1: Indicative Time Frames

July 2017	Project Initiation – Call tenders to supply and erect new unloading and display shed. Begin collecting items for sale at the salvage yard. Submit application for Planning and Building approvals.
August 2017	Late August – let tender for new shed.
September 2017	Prepare specification for minor alterations to existing building to incorporate a shop front facing Eucalypt drive.
October 2017	New shed under construction.
November 2017	New shed completed.
December 2017	Alterations to existing building completed.
January 2018	Develop and order site signage and information boards. Prepare publicity and education/awareness materials.
February 2018	Site works to integrate the salvage yard with the WTS commence plus on site road and parking areas.
March 2018	Site works completed. IT and administrative systems developed and installed. Site signage and ancillary equipment (work benches, collection bins, manual handling aids, display racks, security etc secured and on site).
April 2018	Site Supervisor appointed, begin to arrange the site and sort out the stock that has been acquired. Landscaping works undertaken.
May 2018	Recruit the additional staff required for shop duties and unloading/sorting/sales duties. Testing of the new administration and sales systems. Begin public awareness campaign. Prepare the grand opening arrangements.
June 2018	Final site preparation for start date of 1 st July 2018. Staff induction and training. Continue with media build up to opening day. Prepare for the grand opening day for the shop – Saturday 7 th July 2018.

Attachment 2: Indicative Layout







