

Management report to Council

Agenda item 6.4

Licence: Degraeves Street Recycling Facility (Ross House)

Council

Presenter: Greg Stevens, Manager Parks, Property and Waterways

27 August 2019

Purpose and background

1. The purpose of this report is to seek Council approval to enter into a three year licence with Ross House Association Incorporation (Ross House) over the Degraeves Street Recycling Facility (Facility), located in the car park at 247-251 Flinders Lane, Melbourne.
2. On 1 July 2016, Melbourne City Council (Council) entered into a licence with Ross House to operate the Facility. The licence expired on 30 June 2019. An over holding licence has been in place in the interim.
3. The Facility was launched in March 2013 with the purpose to change the waste and amenity culture in the café precinct and provide for food waste, cardboard and commingled recycling. The Facility was an initiative of the Integrated Waste Management Program, adopted by Council in May 2011.
4. The Facility is a shared recycling collection point in the central city and processes plastics, paper, cardboard, aluminium, glass and organic waste from businesses in Degraeves Street and Centre Place.

Key issues

5. The Facility has been successful in increasing recycling, reducing waste to landfill and improving amenity impacts of waste collection and disposal in this popular and busy location in the city.
6. The Facility has reduced dumped rubbish, reduced graffiti, solved odour issues and vermin problems and reduced litter in the laneway. With the added social and educational benefits passed on to the community, which has seen a change in community behaviour and greater community connection between traders.
7. Council has also partnered with Ross House to deliver a number of initiatives including improvements to security and lighting in the car park and e-waste collection points and provision of organic bins for tenants.
8. The Ross House Committee has offered Council a new licence agreement for the operation of the Facility on the following terms and conditions:
 - 8.1. a term of three years
 - 8.2. commencing licence fee of \$62,737.38 plus GST
 - 8.3. annual increases of five per cent
 - 8.4. permitted use as a recycling facility.

Recommendation from management

9. That Council:
 - 9.1. Approves the licence of the Degraeves Street Recycling Facility with Ross House Association Incorporation for a term of three years commencing on 1 July 2019 and at a commencing licence fee of \$62,737.38 plus GST with annual increases of five percent.
 - 9.2. Notes management's intention to enter into the licence under delegation.

Attachments:

1. Supporting Attachment (Page 2 of 2)

Supporting Attachment

Legal

1. As Council will incur expenditure beyond the current approved annual budget, a resolution of Council is required to enter into the licence.

Finance

2. The proposed licence fee of \$62,737.38 plus GST, with annual five (5) per cent increases will need to be budgeted over the next three years.
3. The licence fee has been negotiated to market value and represents a five per cent increase on the previous years' licence fee.
4. The one year fee has been included in the Parks Property and Waterways 2019-2020 Budget.

Conflict of interest

5. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

Health and Safety

6. Operation of the facility at Ross House will continue in accordance with established occupational health and safety policies and procedures.

Stakeholder consultation

7. Negotiations have been held with the Ross House Committee regarding the proposed new licence.
8. Over 100 businesses will continue to participate in the program at the Facility.

Relation to Council policy

9. Waste and Resource Recovery Plan
10. Integrated Waste Management Program

Environmental sustainability

11. The Facility provides a number of environmental sustainability benefits, including:
 - Innovative technology and waste management practices to reduce the amount of organic waste going to landfill.
 - Daily collection of recycling and food waste from custom designed recycling hubs in Degraes Place and Centre Place.
 - Removal of large number of bins in Degraes Place.
 - Increasing co-mingling recycling.
 - E-waste collection.
 - Conditioning of the biomass for re-distribution onto council parks and gardens.
 - Supplying local community gardens with the biomass created from the food dehydrator.
 - Educating and engaging businesses about recycling, helping them to set up source separation systems in their kitchens and understanding the importance of recycling and the issue about food waste in landfill.