Supplementary S2 Ordinary Meeting

Venue: Administrative Headquarters
       Civic Place
       Katoomba

Meeting: 7.30pm 27 February, 2018
ORDINARY MEETING  
27 FEBRUARY 2018  
AGENDA  

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>PAGE</th>
<th>SUBJECT</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>PROVIDING GOOD GOVERNMENT</td>
<td></td>
</tr>
<tr>
<td>S2</td>
<td>4</td>
<td>Asbestos Management &amp; Project Funding</td>
<td></td>
</tr>
</tbody>
</table>
ITEM NO: S2

SUBJECT: ASBESTOS MANAGEMENT & PROJECT FUNDING

FILE NO: F11178 - 18/33511

Recommendation:

That the Council endorses the reallocation of $2,080,342 from Council reserves as outlined in the report to be available to fund asbestos and hazardous materials projects in 2017/18;

- Katoomba Waste Management Facility Remediation - $945,342
- Lawson Stock Pile Remediation - $250,000
- Old Blackheath tip/landfill Remediation - $235,000
- Asbestos Response Team - $650,000

Report by Director City & Community Outcomes:

Reason for report

This report seeks Council endorsement to allocate additional resources in the 2017/18 budget to ensure that Council continues to provide an effective response to issues relating to management of asbestos and hazardous materials.

At the Ordinary Meeting of Council on 12 December 2017 it was resolved in part:

3. “…That the Council endorses the reallocation of $528,200, resulting from the deferral of the 2017/18 Assets Works Program projects, to be available to fund asbestos and hazardous materials capital works projects in 2017/18;

4. That the Council endorses the allocation of up to $350,000 from Council’s Risk Reserve to be available to fund the provision of expert assistance on asbestos and hazardous material management, including the preparation of remediation plans for major sites; and

6. That the Council receives a further update report on funding for asbestos and hazardous materials remediation projects in the first quarter of 2018.”

[Min No. 427]

This report also provides an update on the previous allocation of resources to asbestos management.

Background

Council’s management of asbestos and hazardous materials has required a significant increase in resourcing for expert assessment and the resulting remediation works, to allow Council to respond to SafeWork NSW and EPA concerns.

Initial response
- Temporary Asbestos and Hazardous Material Projects Team – established in December 2017 to manage a number of specific asbestos and hazardous materials assessment and remediation projects. This team has used the allocated asbestos funding to complete Hazardous Material Surveys and carry out the required remediation works identified by these surveys, and is now delivering:
  - Katoomba Waste Management Facility Remediation;
  - Lawson Stockpile Remediation;
  - Old Blackheath Landfill Remediation; and
  - Cambridge Street Remediation.

- Full-time Asbestos Response Team – established in January 2018 and tasked with triaging incidents, managing small scale response and remediation projects and implementing Council’s Asbestos Management Plan. This team consists of five fulltime employees: a Chief Safety Officer, a Program Leader Asbestos Response, and three Asbestos Response Project Officers.

A total of $1,978,200 has been allocated to asbestos management projects, funded from deferred Asset Works Projects, Council’s Corporate Risk Reserve, and the Waste Facility Reserve. To date a total of $1,475,762 of the allocated funding has been spent on asbestos management. The remaining unspent funding will be used on remediation work at Katoomba Waste Management Facility.

Additional resource requirements for asbestos management in 2017/18

**Katoomba Waste Management Facility Remediation**

An initial amount of $900,000 was allocated to this project from Council’s Waste Reserves.

Further planning and assessment has identified that an additional $1,232,447 is required to complete the remediation work. $287,105 of this amount may be funded from revenue received from customers paying gate fees for this material (to be used to pay the EPA Levy for its disposal to Blaxland Landfill and Kemps Creek Waste Facility). This leaves the remaining $945,342 to be funded. In future years $270,000 should be reimbursed from the EPA and returned to reserves.

The initial estimates assumed reuse of timber and metal stockpiles after decontamination. Later advice has indicated that due to the porous nature of these materials this is not practical and they will require disposal.

A detailed survey of the site has also identified a greater quantity of materials requiring disposal. Approximately 4,600 tonnes will be transported from Katoomba Waste Management Facility to Blaxland Landfill and Kemps Creek Waste Facility for disposal as Asbestos Waste.

**Lawson Stockpile Remediation**

An initial amount of $350,000 was allocated to this project. However due to fees associated with disposal of additional contaminated soil an additional $250,000 is required.

Initial costs were based on an estimate of 800 tonnes of contaminated material from the stockpile. Site remediation (completed on 19 January 2018) identified additional potentially contaminated material, including 1000 tonnes of material below surface level and under stockpiles and 145 tonnes from surrounding embankments. A total of 1,945 tonnes was transported to and disposed of at Kemps Creek Waste Facility. This was significantly higher than initially anticipated, resulting in additional costs to Council for transporting and disposal of the contaminated soil.
Old Blackheath landfill Remediation
The presence of asbestos has been confirmed at the Old Blackheath Landfill. Fencing is required to secure the area. As a first response temporary construction fencing will be installed until it can be replaced with fixed temporary fencing. The total cost for fencing the area is estimated to be $235,000, including $200,000 for the purchase and installation of fixed-temporary fencing and $35,000 for hiring and installation of temporary construction fencing.

In addition to the asbestos remediation work at the site Council is completing a broader rehabilitation review of the Old Blackheath Landfill. Council has now engaged consultants GHD to carry out a technical review of the rehabilitation of Blackheath Landfill, including current status, whether further rehabilitation work is required, and options for future use.

Employment Costs
The establishment of the Asbestos Response Team resulted in an additional five fulltime employees being recruited on temporary contracts. To fund the Asbestos Response Team for the remainder of 2017/18 is estimated to cost $650,000. This includes $250,000 allocated to employment, $150,000 allocated to consultancy costs and $250,000 allocated to minor remediation works. Any funding allocated in 17/18 that it not utilized is proposed to be carried over for Asbestos Response in 18/19.

Additional funding for asbestos management and projects in 2017/18
It is recommended that an additional $2,061,342 is allocated to the identified projects as outlined above and summarised in the below table.

<table>
<thead>
<tr>
<th>Funding required</th>
<th>Total Project Cost</th>
<th>Previously Approved budget</th>
<th>Additional funding required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Katoomba Waste Management facility Remediation</td>
<td>$2,132,447</td>
<td>$900,000</td>
<td>$945,342</td>
</tr>
<tr>
<td>Lawson Stock Pile Remediation</td>
<td>$600,000</td>
<td>$350,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>Old Blackheath tip/landfill Remediation</td>
<td>$235,000</td>
<td>Nil</td>
<td>$235,000</td>
</tr>
<tr>
<td>Asbestos Response Team</td>
<td>$650,000</td>
<td>Nil</td>
<td>$650,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$2,080,342</strong></td>
</tr>
</tbody>
</table>

Sustainability Assessment

<table>
<thead>
<tr>
<th>Effects</th>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental</td>
<td>Council funds are allocated to the management of asbestos and hazardous materials in the LGA</td>
<td>Nil</td>
</tr>
<tr>
<td>Social</td>
<td>Council funds are allocated to the management of asbestos and hazardous materials in the LGA</td>
<td>Nil</td>
</tr>
<tr>
<td>Economic</td>
<td>Council funds are allocated to the management of asbestos and hazardous materials in the LGA</td>
<td>Should Council need to recoup funds spent on remediation at Katoomba Waste Management Facility, Waste Management fees &amp; charges would increase in future years.</td>
</tr>
</tbody>
</table>
### Effects

<table>
<thead>
<tr>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance Council is responsibly managing the resource and financial implications of managing asbestos and hazardous materials in the LGA</td>
<td>Nil</td>
</tr>
</tbody>
</table>

### Financial implications for the Council

To be able to fund the projects identified above, this report proposes that a total of $2,080,342 funding be sourced from Council Reserves, as outlined below.

<table>
<thead>
<tr>
<th>Funding required</th>
<th>Allocation</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Katoomba Waste Management Facility Remediation</td>
<td>$945,342</td>
<td>Waste Reserve</td>
</tr>
<tr>
<td>Lawson Stock Pile Remediation</td>
<td>$200,000</td>
<td>Risk Reserve</td>
</tr>
<tr>
<td>Old Blackheath Landfill Remediation</td>
<td>$235,000</td>
<td>Special Rate Variation Reserves</td>
</tr>
<tr>
<td>Asbestos Response Team</td>
<td>$163,000</td>
<td>Working Capital</td>
</tr>
<tr>
<td></td>
<td>$187,408</td>
<td>Burning Cost savings</td>
</tr>
<tr>
<td></td>
<td>$299,592</td>
<td>Special Rate Variation Reserves</td>
</tr>
</tbody>
</table>

Funding from the Waste Reserve will be allocated for the remediation works at Katoomba Waste Management Facility. This will likely impact the gate fees charged at Council’s waste management facilities. The implications on fees and charges will be subject to a separate report later in 2017/18.

### Legal and risk management issues for the Council

Council requires the additional funding to appropriately respond to the remaining prohibition orders, notices and verbal directions issued by SafeWork NSW and the EPA.

### External consultation

There has been no external consultation in the preparation of this report.

### Conclusion

Council’s management of asbestos and hazardous materials assessment and remediation projects requires additional funding to appropriately respond prohibition orders, notices and verbal directions issued by SafeWork NSW and the EPA.

This report recommends that $2,080,342 funding is allocated to the identified projects as outlined above.