

11.4 Lismore City Council - Material Recovery Facility and Glass Plant.DOC

Analysis of Gate Fees: Current & Proposed Future Operations				
Analysis of LCC's proposal as compared to Ballina's current operating costs for managing recyclables. Used to determine what will give BSC best value for money now (operationally) and in the future.				
Lismore City Council's Proposal:	LCC's draft proposal is based on a Gate Fee of \$50 / tonne. In a mid-range market this would result in a payback on investment after 3.77 years.			
		Current Operations VISY Recycling	Proposed Operations Lismore MRF	
CAPITAL EXPENSE				
Lismore MRF Investment		--	\$1,700,000	BSC 50/50 contribution
Recyclable Storage Bay		\$400,000	--	Required if continuing contract. No payback on investment
OPERATING INCOME				
Sale of Recyclables (/year)			-\$484,629	Sale of material from MRF (based on mid range market)
OPERATIONAL COSTS (/ tonne)				
Transport		\$35.35	\$40.00	Transportation from Ballina to processing plant
Processing / Gate		\$22.60	\$50.00	Gate fee for entering processing plant
Penalty (wet tonnes)		\$5.00	--	
Additional Handling (Staff & Plant)		\$8.00	--	Double handling of waste for transportation
Operational TOTAL (/tonne)		\$70.95	\$90.00	
TOTAL OPERATIONAL (5000 tonnes / year)		\$354,750	\$450,000	
Ballina Shire Council to Negotiate:	BSC to negotiate a Gate Fee of up to \$31 / tonne, in-line with current operating costs. In a mid-range market this will result in a longer return on investment.			
		Current Operations VISY Recycling	Proposed Operations Lismore MRF	
CAPITAL COSTS				
Lismore MRF		--	\$1,700,000	BSC 50/50 contribution
Recyclable Storage Bay		\$400,000	--	Required if continuing contract. No payback on investment
OPERATING INCOME				
Sale of Recyclables (/year)			-\$484,629	Sale of material from MRF (based on mid range market)
OPERATIONAL COSTS (/ tonne)				
Transport		\$35.35	\$40.00	Transportation from Ballina to processing plant
Processing / Gate		\$22.60	\$31.00	Gate fee for entering processing plant
Penalty (wet tonnes)		\$5.00	--	
Additional Handling (Staff & Plant)		\$8.00	--	Double handling of waste for transportation
Operational TOTAL (/tonne)		\$70.95	\$71.00	
TOTAL OPERATIONAL (5000 tonnes / year)		\$354,750	\$355,000	