



MINUTES

ORDINARY COUNCIL MEETING

TIME: 5.30PM

THURSDAY 25TH FEBRUARY 2010

VENUE – CITY OF JOONDALUP

Managing waste and recovering resources responsibly

*Constituent Members: Cities of Perth, Joondalup, Stirling, and Wanneroo.
Towns of Cambridge, Victoria Park and Vincent*



MINDARIE REGIONAL COUNCIL

NOTICE OF MEETING

12 February 2010

Councillors of the Mindarie Regional Local Government are respectfully advised that an Ordinary Meeting of the Council will be held in the Council Chambers of the City of Joondalup, Boas Avenue, Joondalup, at 5.30 pm on Thursday 25 February 2010.

The business papers pertaining to the meeting follow.

Your attendance is requested.



KEVIN POYNTON
Chief Executive Officer

MINDARIE REGIONAL COUNCIL - MEMBERSHIP

Cr J Bissett (John)	Town of Victoria Park
Cr D Boothman (David)	City of Stirling
Cr R Butler (Rob)	City of Perth
Cr S Cooke (Sharon)	City of Stirling
Cr S Farrell (Steed)	Town of Vincent
Cr R Fishwick (Russ)	City of Joondalup
Cr L Gray JP (Laura)	City of Wanneroo
Cr K Hollywood (Kerry)	City of Joondalup
Cr D Newton JP (Dot)	City of Wanneroo
Cr C MacRae (Corinne)	Town of Cambridge
Cr J Robbins (Jason)	City of Stirling
Cr B Stewart (Bill)	City of Stirling

NB: Although some Councils have nominated alternate members, it is a precursor to any alternate member acting that a Council carries a specific resolution for each occasion that the alternate member is to act, referencing Section 51 of the Interpretation Act. The current Local Government Act does not provide for the appointment of deputy or alternate members of Regional Councils. The DLGRD is preparing an amendment to rectify this situation.

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1 OATHS/AFFIRMATIONS OF ALLEGIANCE AND DECLARATIONS OF OFFICE
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Nil

2 QUESTION TIME

Nil

3 ATTENDANCE AND APOLOGIES

Refer Page 3

4 MINUTES

4.1 ORDINARY COUNCIL MEETING – 10 DECEMBER 2009
--

MOTION: (Moved: Cr MacRae Seconded: Cr Robbins)

The Minutes of the Ordinary Council Meeting held on 10 December 2009 have been printed and circulated to members of the Council.

RECOMMENDATION

That the Minutes of the Ordinary Council Meeting of Council held on 10 December 2009 be taken as read, confirmed and the Chairman invited to sign same as a true record of the proceedings.

(Carried: 11/0)

5 ANNOUNCEMENTS

The Chairman, Cr Fishwick, made announcements as follows:

- Welcome to guests as follows:
 - Ms Melanie Cave (Freehills)
 - Mr Leo Gallop (Freehills)
 - Mr Doug Lambert (BioVision)
 - Mr Marco Fontana Guisti (BioVision)
 - Two visiting Councillors
- Advice of the death of long serving local government officer, Mr Gavin Watters. Mr Watters died on 21 February 2010.
- Advice of the resignation of Mr Robert Elliott, from City of Wanneroo. Mr Elliott has been a consistent and committed contributor to MRC activities.
- Proposal to deal with Item 8.1.3. (CONFIDENTIAL ITEM) as the first item of business, which was agreed by Council.

6 DEPUTATIONS

Nil

7 BUSINESS FROM A PREVIOUS MEETING TREATED AS AN ORDER OF THE DAY
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Nil

8 REPORTS

Declaration of Financial/Conflict of Interest to be recorded prior to dealing with each item.

Disclosure of Financial and Proximity Interests

- (a) *Members must disclose the nature of their interest in matters to be discussed at the meeting. (Section 5.65 of the Local Government Act 1995).*
- (b) *Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Sections 5.70 and 5.71 of the Local Government Act 1995).*

Disclosure of Interest Affecting Impartiality

- (a) *Members and staff must disclose their interest in matters to be discussed at the meeting in respect of which the member or employee has given or will give advice.*

8.1 TECHNICAL WORKING GROUP – 5 FEBRUARY 2010
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8.1.1 Tech Com. Item 1

File No: COR/8

SUBJECT: BUSINESS REPORT (FOR THE PERIOD 11 DECEMBER 2009 – 25 JANUARY 2010)

MOTION: (Moved: Cr Robbins Seconded: Cr Bissett)

TWG OFFICERS RECOMMENDATION

That Council receive this progress report for the period 11 December 2009 – 25 January 2010 against Annual Business Plan 2009/2010.

The CEO, in response to a question, provided further information on MWAC and FORC as follows:

- FORC (Forum of Regional Councils) convened to deal with waste management issues unique to Regional Councils e.g. AWT (Alternative Waste Treatment)
 - Systems established to ensure consistency between MWAC and FORC on current waste issues
 - MRC financial allocation to FORC activities vide FORC Terms of Reference, from appropriate Budget Item
 - MRC financial contributions to FORC for Financial Year 08/09 was \$10,019
 - MWAC and FORC Minutes to be available via MRC website, or other appropriate mechanism
-

Council agreed that those reports on completed SWMP (Strategic Waste Minimisation Plan) projects to be posted on MRC website, with an email issued detailing the web link.

The CEO, in response to a question, advised that no meeting had been convened in Kinross on the millipedes' issue.

COUNCIL RECOMMENDATION

That Council receive this progress report for the period 11 December 2009 – 25 January 2010 against Annual Business Plan 2009/2010.

(Carried: 11 /0)

8.1.2 Tech Com. Item 2

File No: WST/13-02

SUBJECT: RESOURCE RECOVERY FACILITY UPDATE REPORT (FOR THE PERIOD 11 NOVEMBER 2009 – 27 JANUARY 2010)

MOTION: (Moved: Cr Newton Seconded: Cr MacRae)

TWG OFFICERS RECOMMENDATION

That Council:

- (i) Note the RRF update report**
- (ii) Confirm the nomination of Cr Newton as the Alternate Elected Member to the PAG**

Council agreed with Cr MacRae's suggestion that the Table at page 32 be depicted in graphical format as well.

Mr Watkins, in response to questions, provided additional information on the project to construct the visitors centre.

COUNCIL RECOMMENDATION

That Council:

- (i) Note the RRF update report**
- (ii) Confirm the nomination of Cr Newton as the Alternate Elected Member to the PAG**

(Carried: 11 / 0)

Closure of meeting to the public.

MOTION: (Moved: Cr Bissett Seconded: Cr Robbins)

That in accordance with Local Government Act 1995 Section 5.23(c) and (d) the meeting be closed to the public.

(Carried: 11 / 0)

8.1.3 Tech Com. Item 3

File No: WST/119

**SUBJECT: RESOURCE RECOVERY FACILITY – ISSUES RE REDUCED
AVAILABILITY OF PROCESSING CAPABILITY**

MOTION: (Moved: Cr Bissett Seconded: Cr MacRae)

TWG OFFICERS RECOMMENDATION

That Council:

Option 1 - if the ANZ Bank has signed off on the Deed prior to the OCM

- (i) agree to the terms of the Standstill Deed dated 1 February 2010**
- (ii) authorised the CEO and the MRC Chairperson to sign the Standstill Deed on behalf of the MRC**

Option 2 - if the ANZ Bank has NOT signed off on the Deed prior to the OCM, but signoff is imminent (of the unchanged Deed)

- (i) agree to the terms of the Standstill Deed dated 1 February 2010**
- (ii) subject to the ANZ Bank's consent is obtained, authorised the CEO and the MRC Chairperson to sign the Standstill Deed on behalf of the MRC**

Option 3 - if the ANZ Bank has NOT signed off on the Deed prior to the OCM and the Bank requests changes to the Deed

- (i) note to the terms of the Final Draft Standstill Deed dated 1 February 2010 (unsigned by the ANZ Bank)**
- (ii) note that a Special Council Meeting will be convened following the ANZ Bank sign off of the Standstill Deed in order for the MRC to formally sign off on the Standstill Deed**

The Chairman noted the tabled supplementary information. The Chairman invited Mr Watkins, on behalf of MRC, to provide an update on the project to develop the Standstill Deed.

The Chairman invited Mr Lambert, on behalf of BioVision, to provide an update on operational matters at the RRF.

The Chairman invited Mr Leo Gallop, from Freehills and MRC legal adviser, to provide a progress report on ANZ 'sign off'.

The CEO tabled a suggested revised recommendation for Council consideration, based on the status of consideration by the ANZ Bank.

That Council:

- (i) note the terms of the Final Draft Standstill Deed dated 1 February 2010 (unsigned by the ANZ Bank) (Attachment to this Item)**
 - (ii) authorise the Chairman and Chief Executive Officer to:**
 - agree and effect non-material amendments to the Standstill Deed, after appropriate legal advice.**
 - sign this amended Standstill Deed.**
-

-
- (iii) note that should any material amendments be required, then a Special Council Meeting will be convened.

The Mover and Seconder agreed to revised recommendation amendment.

AMENDED MOTION AS FOLLOWS WAS PUT TO VOTE:

That Council:

- (i) **note the terms of the Final Draft Standstill Deed dated 1 February 2010 (unsigned by the ANZ Bank) (Attachment to this Item)**
- (ii) **authorise the Chairman and Chief Executive Officer to:**
 - **agree and effect non-material amendments to the Standstill Deed, after appropriate legal advice**
 - **sign this amended Standstill Deed**
- (iii) **note that should any material amendments be required, then a Special Council Meeting will be convened**

(Carried: 11 /0)

Meeting open to the public.

MOTION: (Moved: Cr: Boothman Seconded: Cr Newton)

That the meeting now be open to the public.

(Carried: 11 /0)

Council took Motion 8.1.3 'as read' by the CEO.

8.1.4 Tech Com. Item 4

File No: GOV/29

SUBJECT: MINDARIE REGIONAL COUNCIL OFFICER FORUMS

MOTION: (Moved: Cr Farrell Seconded: Cr Boothman)

TWG OFFICERS RECOMMENDATION

That Council:

- (i) **approve the Terms of Reference (Attachment One to this Item) for Agenda Review Committee**
- (ii) **approve the Terms of Reference (Attachment Two to this Item) for the Strategic Projects Committee**

Council agreed an amendment by Cr MacRae to amend the Terms of Reference for the Agenda Review Committee (Attachment One to this Item) to reflect a philosophy that member Council Officers 'assist' in the compilation of items. The basis for this amendment is that the CEO MRC, not a Committee, is responsible to the Council for presentation of information.

AMENDMENT TO MOTION

MOTION: (Moved: Cr MacRae Seconded: Cr Boothman)

That Council:

- (i) approve the Terms of Reference (Attachment One to this Item) as amended to state that member Council Officers assist CEO MRC in the task of agenda preparation

(Carried: 11/0)

AMENDED MOTION AS FOLLOWS AS PUT TO THE VOTE:

That Council:

- (i) approve the Terms of Reference (Attachment One to this Item) as amended to state that member Council Officers assist CEO MRC in the task of agenda preparation
- (ii) approve the Terms of Reference (Attachment Two to this Item) for the Strategic Projects Committee

Noting Absolute majority required for Recommendation, part (ii)

(Carried: 11/0)

8.1.5 Tech Com. Item 5

File No: FIN/80

**SUBJECT: FINANCIAL MANAGEMENT – MID YEAR FINANCIAL REVIEW –
FINANCIAL YEAR 2009/2010**

MOTION: (Moved: Cr Farrell Seconded: Cr Boothman)

TWG OFFICERS RECOMMENDATION

That Council:

- (i) note the results of the mid-year review which highlights a net drop in revenue anticipated at \$0.5million and a net increase in surplus for the year expected at \$1.3million (after taking into account the savings on the RRF Operations and Landfill Expenditure)
- (ii) note that operating expenditure for 2009/10 is expected to have an estimated net savings of \$1.7million which arose from the following:

(a)	net decrease in RRF Operational Expenditure	\$(2.1)m
(b)	increase in Landfill Operational Expenditure	\$0.4m
	Net Savings	\$(1.7)m

- (iii) approve the increase/(decrease) in operational expenditure for RRF operations resulting in a savings of \$2.117million

		\$'000
•	Reduced Gate Fees payable to Contractor	(2,000)
•	Reduction in Compost Fees	(225)

•	Building Maintenance etc.	(28)
•	Council Rates	(14)
•	Environmental Monitoring (on-going)	(10)
•	Environmental Monitoring (Air Quality Monitoring in Delivery Hall)	50
•	Consulting and Contract Labour	100
•	Landscaping and Gardens	10
	Net Savings	\$(2,117)

- (iv) approve the increase in Landfill Operational Expenditure by \$0.486million in the following areas associated with the additional expenditure for landfill operations due to diversion of waste from RRF to Landfill Facility

		\$'000
(a)	DEP Levy	151
(b)	Amortisation Cost	285
(c)	Variable Expenses (fuel and plant hire)	50
		\$486

- (v) note that the estimated net savings, pertaining to RRF, under (iii) and (iv) above of \$1.5million (\$1.6 million less \$0.08million – refer (x) below) will be taken into account in the calculation of 2010/11 Gate Fees

- (vi) approve the increase/(decrease) in estimates of the Landfill Operations which generates a net savings of \$0.09million

		\$'000
•	Depreciation	(80)
•	Interest Expense	(66)
•	Landfill Expenses	(210)
•	Research and Planning – Stakeholder survey	80
•	Insurance Costs	16
•	Contract Labour	20
•	Office Expenses	7
•	Plant and Equipment Hire	138
•	Member Costs	5
	Net Savings	(\$90)

- (vii) approve the increase/(decrease) in budget allocation of the following capital projects relating to Landfill Operations and Administration which generates a savings of \$8.523million

		\$'000
•	Excavation of Phase 3 Stage 2	(4,700)
•	Excavation of Phase 3 Stage 2 - Earthworks	(4,200)

•	Replacement of Water Truck	200
•	Replacement of Servers at Administration Building	50
•	Workshop Extension (approved at December 2009 OCM)	100
•	New Laser Level	6
•	Leak Detectors / Gas Detectors	2
•	Ground Monitor	4
•	Upgrade for Weighbridge	6
•	Upgrade Recycling Centre Water Main	9

Net Savings \$(8,523)

- (viii) approve the net savings of \$8,523million in relation to the capital projects (refer (vii) above) be carried forward to the forward estimates to cover the future cost of Clay Lining in relation to Stage 2 Phase 3 Excavation
- (ix) approve the increase in RRF project cost by \$0.3million from \$8.8million to \$9.1million to cover the increase cost of MRC assets at RRF
- (x) approve the funding of \$0.5million relating to the additional expenditure of \$0.3million for the RRF project (as per (ix) above) and the anticipated additional project development cost of \$0.2million (as approved at March 2009 OCM) from the Liquidated Damages (\$0.42million) and Operational Expenditure savings for RRF Operations (\$0.08million)
- (xi) approve the increase in Casual Fees from \$120/tonne (incl GST) to \$128/tonne (incl GST) effective 1 April 2010

Mr Dhillon briefed the Council on the overall good health of the Council's finances.

The CEO, in response to a question, advised Council of the plan associated with further consideration of an appropriate pricing model as follows:

- 4 March : Officers Workshop
- Late March : Councillors Workshop
- 1 April : TWG consideration
- 22 April : Council consideration

Council agreed that the matter of allocation of any net savings (\$1.5 million – see (v), the Recommendation) be further considered at that time of consideration of fees FY 10/11.

COUNCIL RECOMMENDATION

That Council:

- (i) note the results of the mid-year review which highlights a net drop in revenue anticipated at \$0.5million and a net increase in surplus for the year expected at \$1.3million (after taking into account the savings on the RRF Operations and Landfill Expenditure)
- (ii) note that operating expenditure for 2009/10 is expected to have an estimated net savings of \$1.7million which arose from the following:

(a)	net decrease in RRF Operational Expenditure	\$(2.1)m
(b)	increase in Landfill Operational Expenditure	\$0.4m
	Net Savings	<u>\$ (1.7)m</u>

- (iii) approve the increase/(decrease) in operational expenditure for RRF operations resulting in a savings of \$2.117million

	\$'000
• Reduced Gate Fees payable to Contractor	(2,000)
• Reduction in Compost Fees	(225)
• Building Maintenance etc.	(28)
• Council Rates	(14)
• Environmental Monitoring (on-going)	(10)
• Environmental Monitoring (Air Quality Monitoring in Delivery Hall)	50
• Consulting and Contract Labour	100
• Landscaping and Gardens	10
Net Savings	\$(2,117)

- (iv) approve the increase in Landfill Operational Expenditure by \$0.486million in the following areas associated with the additional expenditure for landfill operations due to diversion of waste from RRF to Landfill Facility

	\$'000
(a) DEP Levy	151
(b) Amortisation Cost	285
(c) Variable Expenses (fuel and plant hire)	50
	\$486

- (v) note that the estimated net savings, pertaining to RRF, under (iii) and (iv) above of \$1.5million (\$1.6 million less \$0.08million – refer (x) below) will be taken into account in the calculation of 2010/11 Gate Fees

- (vi) approve the increase/(decrease) in estimates of the Landfill Operations which generates a net savings of \$0.09million

	\$'000
• Depreciation	(80)
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• Research and Planning – Stakeholder survey	80
• Insurance Costs	16
• Contract Labour	20
• Office Expenses	7
• Plant and Equipment Hire	138
• Member Costs	5
Net Savings	(\$90)

- (vii) approve the increase/(decrease) in budget allocation of the following capital projects relating to Landfill Operations and Administration which generates a savings of \$8.523million

	\$'000
• Excavation of Phase 3 Stage 2	(4,700)
• Excavation of Phase 3 Stage 2 - Earthworks	(4,200)
• Replacement of Water Truck	200
• Replacement of Servers at Administration Building	50
• Workshop Extension (approved at December 2009 OCM)	100
• New Laser Level	6
• Leak Detectors / Gas Detectors	2
• Ground Monitor	4
• Upgrade for Weighbridge	6
• Upgrade Recycling Centre Water Main	9

Net Savings \$(8,523)

- (viii) approve the net savings of \$8,523million in relation to the capital projects (refer (vii) above) be carried forward to the forward estimates to cover the future cost of Clay Lining in relation to Stage 2 Phase 3 Excavation
- (ix) approve the increase in RRF project cost by \$0.3million from \$8.8million to \$9.1million to cover the increase cost of MRC assets at RRF
- (x) approve the funding of \$0.5million relating to the additional expenditure of \$0.3million for the RRF project (as per (ix) above) and the anticipated additional project development cost of \$0.2million (as approved at March 2009 OCM) from the Liquidated Damages (\$0.42million) and Operational Expenditure savings for RRF Operations (\$0.08million)
- (xi) approve the increase in Casual Fees from \$120/tonne (incl GST) to \$128/tonne (incl GST) effective 1 April 2010

Voting by absolute majority.

(Carried: 11/0)

8.1.6 Tech Com. Item 6

File No: COR/33

SUBJECT: ENVIRO 2010 CONFERENCE AND EXHIBITION

MOTION: (Moved: Cr Hollywood Seconded: Cr Newton)

TWG OFFICERS RECOMMENDATION

That Council:

- (i) note the detail involved with Enviro 2010
- (ii) endorse the process for submission of nominations for attendance by 12 March 2010

-
- (iii) consider the matter of attendees at its April 2010 Ordinary Council Meeting

Nil discussion.

COUNCIL RECOMMENDATION

That Council:

- (i) note the detail involved with Enviro 2010
- (ii) endorse the process for submission of nominations for attendance by 12 March 2010
- (iii) consider the matter of attendees at its April 2010 Ordinary Council Meeting

(Carried: 11/0)

8.2 CHIEF EXECUTIVE OFFICER

8.2.1

File No: FIN/5-02

**SUBJECT: FINANCIAL STATEMENTS FOR THE PERIODS ENDED
30 NOVEMBER 2009 AND 31 DECEMBER 2009**

MOTION: (Moved: Cr Boothman Seconded: Cr Robbins)

MRC OFFICER RECOMMENDATION

That the Financial Statements as attached at Attachment One and Two for the months ended 30 November 2009 and 31 December 2009 be noted.

Nil discussion.

COUNCIL RECOMMENDATION

That the Financial Statements as attached at Attachment One and Two for the months ended 30 November 2009 and 31 December 2009 be noted.

(Carried: 11 /0)

8.2.2

File No: FIN/5-02

**SUBJECT: LIST OF PAYMENTS MADE FOR THE MONTHS ENDED
30 NOVEMBER 2009 AND 31 DECEMBER 2009**

MOTION: (Moved: Cr Stewart Seconded: Cr Cooke)

MRC OFFICER RECOMMENDATION

That Council endorse the list of payments made, as per the delegation made to the Chief Executive Officer, for the months ended 30 November 2009 and 31 December 2009.

Nil discussion.

COUNCIL RECOMMENDATION

That Council endorse the list of payments made, as per the delegation made to the Chief Executive Officer, for the months ended 30 November 2009 and 31 December 2009.

(Carried: 11/0)

9 NOTICE OF MOTION FOR CONSIDERATION AT THE FOLLOWING MEETING
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Nil

10 GENERAL BUSINESS - SEE NOTE (1)

Nil

11 NEXT MEETING

11.1 Ordinary Council Meeting

- **22 April 2010**
- **5.30 pm**
- **City of Wanneroo**

12 CLOSURE - MEETING DECLARED CLOSED 6.35PM
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Notes

(1) Under this item, members have the opportunity to:

- (a) make a statement providing information related to the Council's business;
- (b) to ask a question relevant to the Council's business.

Under this item a member shall not raise any matter directly related to any other item on the agenda and shall not foreshadow any motion for consideration at another meeting.



MINUTES

TECHNICAL WORKING GROUP

FRIDAY 5 FEBRUARY 2010

8.30 AM

VENUE – TOWN OF CAMBRIDGE

Managing waste and recovering resources responsibly
Constituent Members: Cities of Perth, Joondalup, Stirling, and Wanneroo.
Towns of Cambridge, Victoria Park and Vincent



**MINDARIE REGIONAL COUNCIL
TECHNICAL WORKING GROUP
NOTICE OF MEETING**

Friday 29 January 2010

Members are advised that a meeting of the Technical Working Group of the Mindarie Regional Council will be held in the Committee Room of the Town of Cambridge, 1 Bold Park Drive, Floreat, Friday 5 February 2010 commencing at 8.30am.

Items for consideration are attached.

Yours faithfully



KEVIN POYNTON
Chief Executive Officer

MEMBERS:	K Poynton	Chief Executive Officer	Mindarie
	E Albrecht	Manager Waste Fleet	Stirling
	K Caple	Director City Business	Wanneroo
	C Colyer	Director Infrastructure	Cambridge
	K Dhillon	Finance & Business Services Manager	Mindarie
	G Eves	Director Infrastructure Management	Stirling
	D Forster	Director Business Units	Perth
	M Glover	Director Infrastructure Services	Joondalup
	E Herne	Director Corp Resource Management	Stirling
	P Hoar	Coordinator Waste Mgt	Joondalup
	R Lotznicker	Director Technical Services	Vincent
	S Spinks	Manager City Business	Wanneroo
	M Tolson	Operations Manager	Mindarie
	A Vuleta	Director Technical Services	Vic Park
	I Watkins	Projects Manager	Mindarie

MINUTES OF A MEETING OF THE TECHNICAL WORKING GROUP OF THE MINDARIE REGIONAL COUNCIL HELD IN THE COMMITTEE ROOM OF THE TOWN OF CAMBRIDGE, 1 BOLD PARK DRIVE, FLOREAT, ON FRIDAY 5 FEBRUARY 2010 AT 8.30AM.

PRESENT: K Poynton Chairman

Members Messrs	Ed Albrecht	Operations Manager	Stirling
	Karen Caple	Director City Business	Wanneroo
	Chris Colyer	Director Infrastructure	Cambridge
	Kalwant Dhillon	Chief Financial Officer	Mindarie
	Doug Forster	Director of Business Units	Perth
	Martyn Glover	Director Infrastructure Sves	Joondalup
	Peter Hoar	Coordinator Waste Mgt	Joondalup
	Rick Lotznicker	Director Technical Services	Vincent
	Shane Spinks	Manager City Business	Wanneroo
	Mike Tolson	Operations Manager	Mindarie
	Anthony Vuleta	Director Technical Services	Vic Park
	Ian Watkins	Project Manager	Mindarie

VISITORS Leo Gallop

APOLOGIES Nil

CONFIRMATION OF MINUTES

Not applicable

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3	<u>CONFIDENTIAL ITEM</u> RESOURCE RECOVERY FACILITY – ISSUES RE REDUCED AVAILABILITY OF PROCESSING CAPABILITY	WST/119	P32
4	MINDARIE REGIONAL COUNCIL OFFICER FORUMS	GOV/29	P33-41
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6	ENVIRO 2010 CONFERENCE AND EXHIBITION	COR/33	P65-67

ITEM 1 BUSINESS REPORT
(for the period 11 December 2009 – 25 January 2010)

File No: COR/8 (D/10/582)

Attachment(s): 1. Information related to landfill and recycling activity at Tamala Park to end December 2009

Author: Kevin Poynton

SUMMARY

The purpose of this report is to provide Council with current information on all business activities.

BACKGROUND

The Council at its meeting held in October 2008, resolved, inter alia, to approve a revised Strategic Plan. Council, at Special Council Meeting 28 May 2009, approved Annual Business Plan 2009/2010. This business report is now presented in a format consistent with both the Strategic Plan and approved Annual Business Plan. New information since the last report is provided in '**bold italics**'.

DETAIL

OBJECTIVE ONE – WASTE MANAGEMENT

Objective One is 'to manage waste in a way that

- Maximises resource recovery
- Minimises waste to landfill

in order to minimise environmental impact.

Existing Waste Processing Projects – Tamala Park

The table at Attachment One describes business activity for the period **1 July 2009 – 31 December 2009** for member councils, and others, in terms of tonnage (received for processing) and revenue associated with this tonnage.

Information related to landfill and recycling activity at Tamala Park to end **December 2009** is presented in the table at Attachment One.

Current information in relation to Tamala Park landfill and recycling activities is as follows:

- ***The issue of a contractual dispute with a service provider, in relation to landfill construction work, has progressed to the point where a draft legal document assigning responsibilities from the contractor (JJ MacDonald) to the current owners (WATPAC) has been reviewed. Legal advice has been that the type of assignation is incorrect. Further liaison has commenced with WATPAC.***
- Utilisation of Tamala Park limestone has continued both onsite and via exploitation of offsite activities

-
- An investigation into the characteristics of future gas management plan is in progress with a view to ***either an extension of the existing arrangement for a finite period, or conduct of another tender exercise for the service. These options will be presented for the next round of meetings.***
 - Key tasks associated with the groundwater management plan for 2009/2010 are as follows:
 - Groundwater sampling, analysis and reporting
 - The annual ground water monitoring report, including the results from 18 new bores was presented to DEC in March 2009
 - Specialist groundwater monitoring/management consultancy services will be required for planning any groundwater remediation requirements in FY 09/10 that may arise as a result of the leachate plume being detected to the north of Stage I
 - Additional 3 borehole clusters are likely to be required to aid the investigation of the above item
 - Access to Federal Government funds to establish a 'used – fridge management capability' as an internal rather external service, at a cost saving of \$29,000 per annum, has commenced. These funds are being used to train two staff on 'used fridge management'

Existing Waste Processing Projects – Neerabup

Progress against a project to establish and operate a Resource Recovery Facility (RRF) at Neerabup in is contained in a separate report within this agenda.

OBJECTIVE TWO – WASTE PROCESSING OPPORTUNITIES

Objective Two is to identify, evaluate and implement opportunities for expansion of the waste management business.

An Integrated Regional Plan

Tasks associated with the development of an integrated regional plan have been progressed as follows:

- Discussions with Member Council officers
- Preparation of Background Paper

Preparation and further workshopping with officers of an Option Paper.

Additional Processing Facilities

Tasks associated with the establishment of additional processing facilities for operation by Mindarie Regional Council have been progressed as follows:

- Recycling Centre Balcatta (City of Stirling)
 - Investigation into Mindarie Regional Council operation of Household Hazardous Waste (HHW) component completed
 - Alternative approach re issue of incentive scheme or other cost sharing models for HHW collection, is currently under investigation by City of Stirling

-
- 'Son of Tamala' Landfill
 - Issue of a Call for Submission (CFS) package, and receipt of five responses
 - Concurrently, work is progressing to investigate land for potential purchase for use as a landfill, if required

OBJECTIVE THREE – INDUSTRY LEADERSHIP AND ADVOCACY

Objective Three is to identify and promote industry-wide initiatives for improvements to waste/resource management, particularly in relation to waste minimisation and resource recovery.

SWMP Projects

Progress on current SWMP projects during the reporting period has been as follows:

1. 2 Bin Trial

This project seeks to address the issue of “which bin to put it in” and study household and non residential sorting and collection systems to be considered for future improvements in recycling recovery and waste processing. The object of this project is to develop and trial a 2 stream collection system that is optimised to suit future organic and inert waste recycling for a range of premises, without the introduction of a new “class of waste” stream and the expense associated with the supply of bins, trucks, staff and environmental emissions associated with collection vehicles.

Participating Local Government – Town of Cambridge

Current Progress:

- Consultation with Town of Cambridge officers
- Approval from council to conduct trial within the Town of Cambridge with 1088 residences
- Trial to be conducted from 11 February to 8 April 2010
- Capital purchases finalised
- Bin delivery and collection contractors finalised
- Liaison with Perthwaste and Cleanaway for collection and audit processes
- ***Engaged 'The Hub' to undertake marketing and communication for the trial***
- ***Information session to be conducted at The Boulevard Centre, Floreat, on 9 February***
- ***Marketing and communication package developed in conjunction with Town of Cambridge officers and distributed***
 - Including:***
 - a. Letter to participants from Town of Cambridge and MRC Chief Executive Officers outlining the trial***
 - b. Invitation to information session***
 - c. Fridge information brochure***
 - d. Information postcards to be mailed to participants during the trial***

2. Bulky Waste Characterisation

This project is designed to identify the composition of the various bulky waste streams delivered to Tamala Park and Recycling Centre Balcatta and identify their sources. This information will then be available to the Mindarie Regional Council and the City of Stirling to be considered in the redesign of their respective transfer stations including charging policy and materials handling procedures to increase the amount of waste diverted from landfill.

Participating Local Governments: City of Stirling, Mindarie Regional Council

Current Progress:

- Audits undertaken at Recycling Centre Balcatta 31 August – 21 September
- Audits undertaken at Tamala Park 29 September – 23 October
- ***Final report completed***

3. Best practice bulky hard waste and garden waste verge collections

This project seeks to identify best practice recovery of bulky hard and green waste from household verge collections for the purpose of reuse and recycling.

During the project officers will audit materials placed on verges for collection, interview officers from member councils and collection contractors and collate detail on all member council collection services.

The information gathered will be used to:

- optimise and standardise the delivery of Local Government bulky waste verge collections
- increase the amount of waste diverted from landfill by means of reduction, reuse and recycling
- maximise the convenience of recycling and disposing of bulky waste to the region's householders
- reduce the financial and environmental costs associated with the disposal of bulky waste to the community
- produce best practice recommendations for verge collection processes
- increase the collection of reusable goods by charities ahead of the hard waste collection cycle
- ***prepare a detailed report outlining the above***

Participating Local Governments: All member councils

Current Progress:

- Interviews conducted with all member councils to collate detail on collection processes
- On street audits conducted of bulk waste in six local authorities (no collections in Vincent during project period)
- Interviews conducted with collection contractors
- Met with charity groups to discuss extending involvement throughout region
- ***Draft report complete end of January***

4. Events Recycling

The results of these investigations will be used to develop new waste management models and procedures for use throughout the region. The waste management models will also make allowance for the different sizes of events.

Participating Local Governments: City of Perth, consultation with all member councils

Current Progress:

- Research to identify current “best practice” waste capture and recycling at events and public places
- Developed draft Guide to WasteWise Community Events in conjunction with WMRC officers and the Department of Environment, Climate Change & Water NSW
- Guide distributed to WESSG members for review
- ***Earthcarers and MRC staff to undertake, promotion, operation of recycling compounds and public surveys at Skyworks on 26 January***
- ***Encycle engaged to undertake audit of waste generation, recycling and waste management of Skyworks event***
- ***Final report mid February***

5. Council Infrastructure Works Waste Recycling

This project is designed to bring together all of the Engineering and Parks operational staff within the region with responsibility for the recycling and disposal of solid waste generated through the construction and maintenance of Local Government infrastructure with a focus on pavement, drainage and parks operations.

The object is to identify best practice infrastructure waste avoidance and recycling and seek to adopt the best practices through all member Local Governments through copying techniques and sharing contracts.

Participating Local Governments: All member councils

Current Progress:

- Interviews conducted with all member councils on current infrastructure waste management processes, materials and volumes
- Inspected all depot areas and storage amenities
- Interviews conducted with inert waste recyclers
- ***Final report mid February***

6. Reducing the Direct Environmental Impact from the Transport of Collected Recycling and Waste Materials for Present and Future Scenarios

The objective of this project is to identify what opportunities exist and what steps need to be taken to optimise the collection and transport of materials for the purposes of recycling and disposal.

The project is intended to identify the optimum travelling distances for kerbside collection vehicles in terms of premises serviced, fuels consumed and emissions to the atmosphere from when a truck is filled to capacity to the point of discharge and to specify what benefits can be derived from:

- Locating processing facilities closer to the point of collection
- Using transfer stations to sort and move waste to more remote recycling facilities and landfill sites.

Participating Local Governments: All member councils

Current progress:

- Data collection from member councils
- Engaged Hyder Consulting to undertake study as part of Regional Plan development
- ***Liaised with Department of Main Roads WA to obtain Time and Distance Matrices and Zone Boundaries for use in development of transport models***
- ***Workshop conducted 5 February to consider draft options***

Partnership Activities

Key partnership activities during the reporting period have been as follows:

- Municipal Waste Advisory Council (MWAC)
 - ***Participation by recently appointed MRC representative to MWAC, Cr John Bissett, in his first meeting***
 - ***Commencement of a review of the MWAC partnership agreement (to which MRC is a signatory)***
 - ***Completion of a submission on the draft State Waste Strategy***
 - ***Commencement of planning for future HHW programs***
- Forum of Regional Councils (FORC)
 - Further discussions with the Waste Authority WA on opportunities for partnership
 - Progress of a plan to obtain amendments to proposed State Government changes to WARR legislation, particularly in relation to the use of levy funds
- Waste Management Association of WA (WMAA(WA))
 - Development of project plans for utilisation of \$100k from Waste Authority
- Industry Training Council (EUPA)
 - Review and revision of waste industry training needs, using levy funds. This work is in progress

The State Government has enacted the revised landfill levy legislation, without amendment. This means that levy increases will apply with effect 1 January 2010. No amendment to the MRC pricing regime is necessary.

OBJECTIVE FOUR – COMMUNITY ENGAGEMENT

Objective Four is to engage with the community in the Mindarie region in order to promote behaviour consistent with the region's operational plans for waste/resource management.

Marketing Activities

Key marketing activities progressed during the reporting period were as follows:

- The Marketing and Waste Education Plan was endorsed by Council at its October meeting
- ***Ongoing management and update of the website including a Christmas waste minimisation message***
- ***Annual Report compiled and sent to production***
- Work continued on upgrading of the Style Guide
- Monthly community update advertisements in Community Newspapers appeared in ***December, with the next one being prepared for February***
- ***Legal advice sought on protection of the Kneedeep logo***
- ***MRC Christmas cards designed with a waste minimisation message***
- ***CEO Bulletin produced following 10 December Ordinary Council Meeting***
- ***Planning has commenced for a February/March edition of MRC News***

Education Activities

Key education activities progressed during the reporting period were as follows:

- Support of member councils with the metropolitan-wide battery collection program. Battery bins are now in place in each Council area. ***Investigation of region-wide contractor to collect batteries***
- The Perth and Victoria Park 09/10 fridge calendars ***have been printed and distributed***
- ***End-of-year thankyou event for Earth Carers held in early December, and a newsletter was distributed. Planning currently underway for the next course in March 2010***
- Planning commencing on fit-out of displays at the RRF Visitors Centre. ***Garden beds have been installed at the Visitors Centre to demonstrate effectiveness of product produced at the RRF***
- ***Development of RRF promotional material is under way including a brochure and a DVD***
- Tours are continuing to have good levels of interest and mobile display activity has increased in line with the summer event schedules of member Councils
- ***We have taken delivery of the Waste Education's vehicle***
- Support provided to City of Perth for the Skyshow ***on Australia Day, as part of the RIP project on public event recycling. MRC waste education staff and Earth Carers will assist in the three recycling compounds, and RIP funding provides for a waste audit after the event***

-
- ***Coordination with Western Power to promote CFL recycling. A CFL collection box has been developed as part of the Western Power's "Beat the Heat" campaign and shopping centre promotion***
 - ***Proposal to start developing communication material for community members with English as a Second Language (ESL) was discussed and accepted at WESSG meeting***

Community Engagement Advisory Group (CEAG) Activities

Key CEAG activities progressed during the reporting period were as follows:

- ***Final meeting for the year on 2 December. Next meeting on 10 February***
- CEAG has reviewed its Roles & Functions Statement. ***This will come to the February Ordinary Council Meeting for endorsement***
- CEAG is in the process of reviewing performance against the CPA
- ***New member, Dr Vincent Cusack, participated in the 2 December meeting***

Kinross community activities

Key local activity progressed during the reporting period was as follows:

- ***Doorknocking undertaken in Kinross to determine extent of millipede infestation, and to determine level of interest in involvement in a trial to reduce the millipede problem. Doorknocking undertaken during December***

OBJECTIVE FIVE – ORGANISATIONAL MANAGEMENT

Objective Five is to maintain excellent management of the Mindarie Regional Council organisation.

Business Systems

Key projects associated with this port folio are as follows:

- ***Implementation*** of improved budget preparation process, in conjunction with member councils
- Investigation of personnel resourcing mix, prior to Budget 2010/2011
- ***Progress*** of improved TWG governance model for Council December 2009
- Progress of a project to develop a revised pricing model to a milestone of 'officer consideration – next draft', scheduled for ***February 2010***

Member Council Partnerships

Key activities progressed as follows:

- Liaison Tamala Park Regional Council (TPRC) re buffer and associated issues, with a plan to develop a joint submission for TPRC/MRC consideration

On the matter of Town of Cambridge exemption request, CEO Mindarie Regional Council and CEO Town of Cambridge have agreed that this matter is best left until investigations on a revised pricing model and an 'exemption approach' are completed. This is now estimated to be ***early 2010***.

Establishment Agreement

The administration has received correspondence from Town of Vincent advising a position of support for 'one vote – one Council', as distinct to the existing model, in any future draft Establishment Agreement. This position is at odds with other Council positions on this matter i.e. retention of status quo.

Attendees at an Officer Business Workshop on 13 August 2009 agreed 'way ahead' as follows:

- Finalisation of the draft Establishment Agreement, for MRC endorsement and subsequent consideration by member councils
- Development of a suite of potential Constitution amendments, for consideration by MRC and member councils in the event of non-agreement to the draft Establishment Agreement

The Establishment Agreement work is closely linked to the pricing model, and will occur in synchronisation with this pricing model work. The estimated timeframe for presentation of a final draft Establishment Agreement to Council will depend on pricing model progress.

CONSULTATION

Not applicable

STATUTORY ENVIRONMENT

Not applicable

POLICY IMPLICATIONS

Not applicable

STRATEGIC IMPLICATIONS

This progress report reflects progress against approved activities associated with the Council's annual Business Plan.

FINANCIAL IMPLICATIONS

These activities are conducted within the context of the approved Council budget for any particular financial year.

COMMENT

Council business is currently being conducted within the framework of the Annual Business Plan.

MRC OFFICER RECOMMENDATION

That Council receive this progress report for the period 11 December 2009 – 25 January 2010 against Annual Business Plan 2009/2010.

TECHNICAL WORKING GROUP – 5 FEBRUARY 2010

The Group agreed the CEOs plan to conduct a further workshop on the Council's pricing model within four weeks, given the City of Stirling analysis of options has now been completed.

TWG OFFICERS RECOMMENDATION

That Council receive this progress report for the period 11 December 2009 – 25 January 2010 against Annual Business Plan 2009/2010.

ATTACHMENT ONE
TO ITEM 1
TECHNICAL WORKING GROUP
5 FEBRUARY 2010
INFORMATION RELATED TO LANDFILL AND RECYCLING ACTIVITY
AT TAMALA PARK TO END DECEMBER 2009

Information relating to landfill, resource recovery & recycling tonnages year to date 2009/10

Month: Dec-09

	TONNAGE				REVENUE					
	RRF Actual	Landfill Actual	Total Tonnage	Budget 2009/10	Target % Year to Date	Actual % Year to Date	Actual G/L \$	Budget 2009/10	Target % Year to Date	Actual % Year to Date
MEMBERS										
Processable										
Cambridge	2,313.05	2,067.51	4,380.56	9,500.00	50.00%	46.11%	\$ 527,339.16	\$ 1,144,800	50.00%	46.06%
Joondalup	8,830.61	17,691.87	26,522.48	55,941.00	50.00%	47.41%	\$ 3,195,960.68	\$ 6,740,900	50.00%	47.41%
Perth	-	7,348.06	7,348.06	16,000.00	50.00%	45.93%	\$ 885,441.21	\$ 1,928,000	50.00%	45.93%
Stirling	-	9,329.23	9,329.23	12,000.00	50.00%	77.74%	\$ 1,124,172.63	\$ 1,446,000	50.00%	77.74%
Victoria Park	2,133.62	3,728.82	5,862.44	13,964.00	50.00%	41.98%	\$ 705,486.03	\$ 1,682,700	50.00%	41.93%
Vincent	-	6,217.74	6,217.74	13,742.00	50.00%	45.25%	\$ 748,198.63	\$ 1,655,900	50.00%	45.18%
Wanneroo	7,410.93	15,401.89	22,812.82	49,300.00	50.00%	46.27%	\$ 2,747,937.49	\$ 5,940,700	50.00%	46.26%
Sub Total Processable	20,688.21	61,785.12	82,473.33	170,447.00	50.00%	48.39%	\$ 9,934,535.83	\$ 20,539,000	50.00%	48.37%
Non-Processable										
Cambridge		1,080.35	1,080.35	1,200.00	50.00%	90.03%	\$ 71,630.13	\$ 79,200	50.00%	90.44%
Joondalup		5,538.31	5,538.31	10,261.00	50.00%	53.97%	\$ 365,678.84	\$ 677,200	50.00%	54.00%
Perth		45.25	45.25	37.00	50.00%	122.30%	\$ 2,986.94	\$ 2,400	50.00%	124.46%
Stirling		47,089.08	47,089.08	105,000.00	50.00%	44.85%	\$ 3,102,766.14	\$ 6,930,000	50.00%	44.77%
Victoria Park		610.62	610.62	689.00	50.00%	88.62%	\$ 40,300.51	\$ 45,500	50.00%	88.57%
Vincent		191.88	191.88	484.00	50.00%	39.64%	\$ 12,664.09	\$ 31,900	50.00%	39.70%
Wanneroo		18,996.38	18,996.38	24,700.00	50.00%	76.91%	\$ 1,250,875.82	\$ 1,630,200	50.00%	76.73%
Sub Total Non-Processable	-	73,551.87	73,551.87	142,371.00	50.00%	51.66%	\$ 4,846,902.47	\$ 9,396,400	50.00%	51.58%
Sita Biovision Residues		7,294.12	7,294.12	30,000.00	50.00%	24.31%	\$ 612,453.60	\$ 1,980,000	50.00%	30.93%
SUB TOTAL MEMBERS	20,688.21	142,631.11	163,319.32	342,818.00	50.00%	47.64%	\$ 15,393,891.90	\$ 31,915,400	50.00%	48.23%
CASUALS										
South Perth	-	130.65	130.65	3,090.00	50.00%	4.23%	\$ 14,252.73	\$ 337,100	50.00%	4.23%
Trade & Cash	-	20,358.46	20,358.46	46,000.00	55.00%	44.26%	\$ 2,319,342.70	\$ 5,018,140	55.00%	46.22%
Sub Total Casuals	-	20,489.11	20,489.11	49,090.00	52.50%	41.74%	\$ 2,333,595.43	\$ 5,355,240	52.50%	43.58%
TOTAL	20,688.21	163,120.22	183,808.43	391,908.00	51.25%	46.90%	\$ 17,727,487.33	\$ 37,270,640	51.25%	47.56%
RECYCLING										
Recycling centre sales							\$ 258,842.53	\$ 240,000	50%	74%

*Note
As the data for the trend in respect of Casuals was available (that indicates that 55% of sales occur during the first half of the year and 45% during the second half), this data was used for the budget process.
As insufficient data is available for the trend for Members, a time allocation is used for the Members Revenue projections.

ITEM 2 RESOURCE RECOVERY FACILITY UPDATE REPORT (for the period 11 December 2009 – 4 February 2010)

File No: WST/13-02 (D/10/589)

Attachment(s): RRF Financial Table

Author: Ian Watkins

SUMMARY

The purpose of this report is to provide Council with information relating to the final development, commissioning and operation of the Stage 1 Resource Recovery Facility (RRF) at Neerabup. New information since the last report is provided in '***bold italics***'.

BACKGROUND

Stage 1 RRF contract was signed with BioVision 2020 on 23 November 2007. Construction commenced on 27 February 2008 with Practical Completion being achieved on 15 July 2009.

The 20 year contract operational period commenced on 16 July 2009.

- Contract framework includes:
- Contractor - BioVision 2020 (Ownership - 70% Westscheme; 30% SITA)
- Build Own and Operate (BOO) contract structure
- 100,000 tonnes per year
- 20 year contract
- Contract commencement date 16 July 2009
- Contract end date 15 July 2029

DETAIL

Operations

As at 16 July 2009 facility operations commenced.

Typical operational conditions include:

- MRC to deliver 400 tonnes per day - Monday to Friday
- BioVision to process 285 tonnes per day - seven days per week
- 40,000 kilolitres of water consumed per year
- 3 MW hours of power consumed
- Approximately 40,000 tonnes of compost produced annually
- Approximately 30,000 tonnes of residue sent to Tamala Park annually
- 1,200 tonnes of ferrous metal recycled annually

Composter Structural Issues

Council is being regularly updated on events surrounding the composter structural issues. Regular updates will continue to be provided to Council as and when new information comes available.

An update of recent events is as follows:

- **Initial repairs have been undertaken on both cracked composters**
- **Final repair design undertaken**
- **Waste delivery to the RRF commence on 14 January**
- **Intermittent waste delivery continuing as per the BioVision requirements**
- **Composter 1 commenced loading on 19 January**
- **Composter 1 back in full production**
- **Composter 2 initial repairs nearing completion**
- **Composter 2 commenced loading 30 January**
- **RRF at full production on 1 February**

The Administration, in conjunction with its legal advisers and specialist consultants has finalised the Rectification Plan and the associated Standstill Deed of BioVision. Details on these activities are covered in a separate Item to Council.

Waste Delivery

Under normal operating circumstances, the Cities of Joondalup and Wanneroo and the Towns of Victoria Park and Cambridge deliver waste to the RRF. **This was temporarily ceased due to the composter structural issues. Following the completion of the short term repairs to both Composters, waste delivery is back to normal (2,000t/week).**

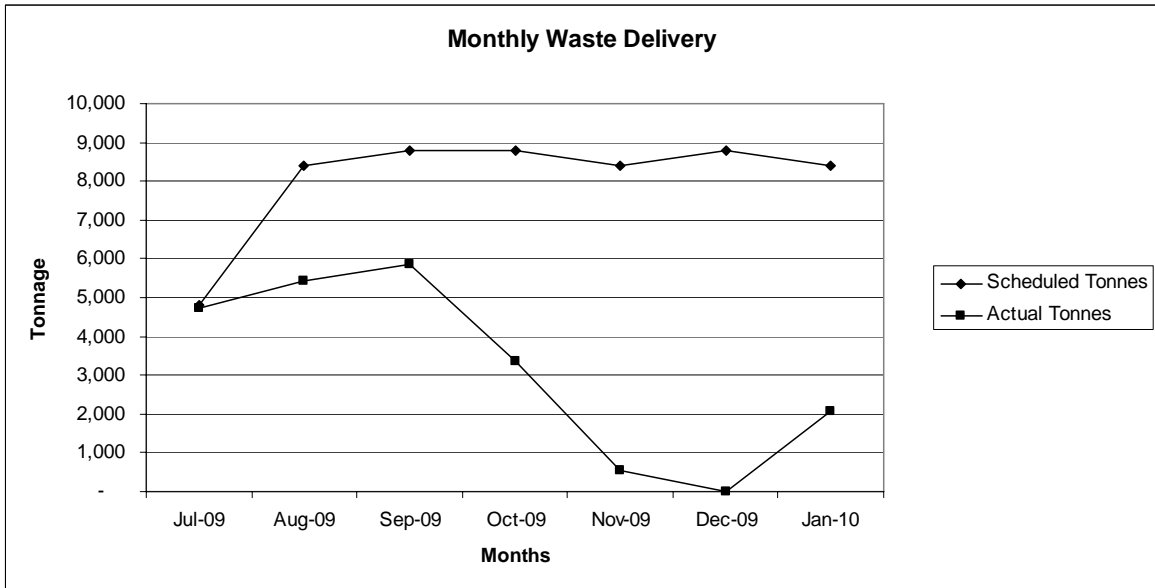
The City of Perth and the Town of Vincent have opted to continue to dispose of waste at the Tamala Park landfill.

The RRF will typically accept approximately 2,000 tonnes of waste per week. With the large volume disposal pit available, it is not critical that the precise daily tonnage be achieved each day, so long as the weekly average is approximately 2,000 tonnes per week.

As a result of the reduced Availability associated with the composter cracks, BioVision will endeavour to catch up the tonnage shortfall during the remainder of the Contract Year. The Standstill Deed provides an opportunity for BioVision to continue to catch up the tonnage shortfall during the following Contract Year. Consequently, it is likely that the MRC will be requested to deliver more than the scheduled 2,000 tonnes per week during this period. As per the Standstill Deed, the MRC could be called on (by BioVision) to supply up to 600 tonnes of waste per day. This equates to 3,000 tonnes per week. Under these circumstances, and particularly during the winter months (period of lower waste generation), it is likely that the City of Perth and the Town of Vincent will be required to deliver waste to the RRF.

Graph No. 1 provides detail of the Actual Tonnage of waste delivered in comparison to Scheduled Tonnage.

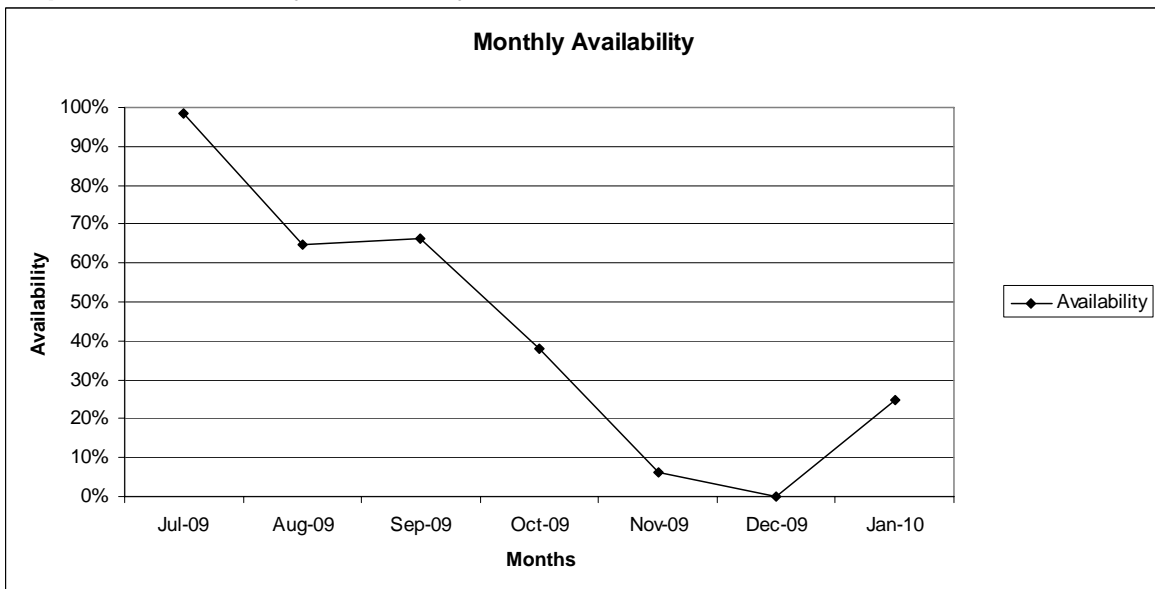
Graph No. 1 – Actual vs. Scheduled Tonnage



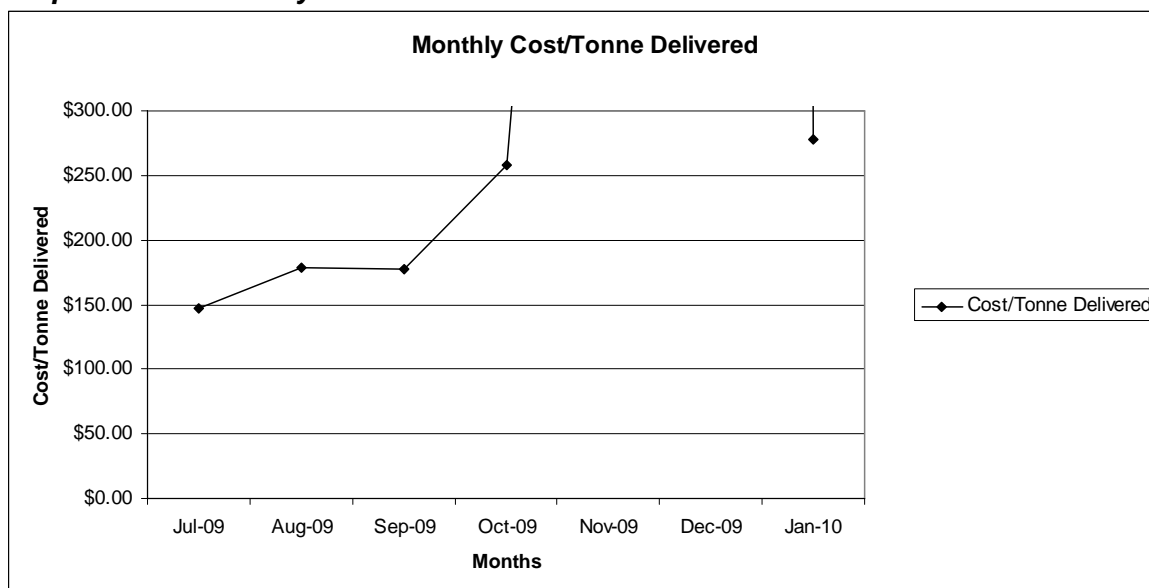
As can be seen, the RRF Availability has been significantly below the Scheduled Availability. Since mid-September this has been as a result of the cracked composters. Prior to this period the reduced Availability was as a result of minor stoppages associated with the repair of construction punch-list items and initial operational “teething problems”.

Since 1 February 2010 the RRF has been operating at full capacity (2,000t/wk).

Graph No. 2 – Monthly Availability



Graph No. 3 – Monthly Cost/tonne Delivered



As can be seen, the cost/tonne for November and December are “off the scale”. November = \$1,188.67/t as only 528 tonnes of waste was delivered. In December, no tonnage was delivered at a cost of \$622,019.46. The requirement for the MRC to pay a minimum of 92% Capital Cost irrespective of tonnage delivered results in the abnormal cost/t. In January 2,077 tonnes of waste was delivered; hence the cost/t has decreased substantially (\$278.85/t).

Key Performance Indicators

KPI's as per the RRFA are as follows:

Table No. 1 – KPI Summary

KPI	Target	Contract Year to Date	Nov	Dec	Jan
Environmental Standard - Number of Breaches	0	0	0	0	0
Waste Diversion	71.4%	53.7%	-111.7	0	78.7%
Quality of Compost - Number of Breaches	0	13	1	1	0
Quantity of Recyclable Packaging	0.8%	0.87%	4.95%	0%	0.72%
Health and Safety - Number of LTI's	0	0	0	0	0
Community Acceptance - Number of Complaints *	0	0	0	0	0
Project Culture - PAG Chairperson Score	100	100	100	100	100

* Numerous complaints relating to a single event are treated as a single complaint.

KPI's relating to waste type (Waste Diversion, Quality of Compost, and Quantity of Recyclable Packaging) are able to be adjusted so far as the variability in the quality impacts a particular KPI. Consequently; there will be no fee abatement for failure to achieve the related KPI's for the first year of operation, until waste variability has been finalised.

Waste diversion

Waste diversion can only be truly assessed once the facility has been operated in a steady state for a few months. The facility has yet to reach this level of reliability due to the operational issues being experienced over the past few months.

It is anticipated that once the composters have been repaired, the facility will rapidly achieve a steady state of operation allowing the waste diversion KPI to be more accurately assessed.

Compost Quality

Up to 31 January 2010 there has been 6,492 tonnes of compost produced.

To date compost has been delivered to the following locations:

- Turf farms
- Olive farms
- Custom Compost facilities north and south of Neerabup for blending, storage blending and then distribution to customers

Within the RRFA there is a maximum lead level of 250mg/kg. 22 tests have been carried out on the compost, of these, 13 tests have lead levels above the stipulated 250mg/kg. The maximum test result has been 380mg/kg.

The majority of the contamination has occurred in the earlier tests carried out. In the last nine tests (14/10/9 to 14/12/9) only two of the test results have produced a lead level of greater than 250mg/kg. Due to the reduced Availability as a result of the composter cracks, the facility was not running at design capacity during this period. Once the composter cracks have been repaired and the facility is back up to full production, the lead contamination trend can be confirmed.

Within the Australian Standard (AS 4454) the maximum lead level is 420mg/kg for C2 restricted use compost. Although the lead levels are above the RRFA maximum levels, all tests have been below the C2 (restricted use) maximum level and hence still able to be used for certain applications.

The elevated lead levels are a function of the incoming waste stream. The MRC needs to concentrate on community education to remove electronic waste, batteries etc from the waste stream. Further effort will be required to identify what components of the waste stream are contributing to the heavy metals in the compost.

Quantity of Recyclables

The quantity of metals recycled to date has reached 0.88% of total tonnes processed. This is above to the target of 0.8%.

Air Quality

The City of Wanneroo waste delivery truck drivers have raised concern with regards to the quality of the air (odour and dust) within the receival hall.

SITA appointed Coffey Environmental to undertake air quality monitoring within the receival hall. Monitoring and reporting was finalised in December 2009, with the report being provided to the MRC in early January 2010. The outcome of the Coffey

Environmental monitoring report clearly stated that there were no exposure concerns to the waste delivery truck drivers.

A copy of the report was provided to the City of Wanneroo. The City of Wanneroo have advised the MRC that the waste delivery truck drivers are satisfied with the outcome of the monitoring report; however, acknowledge that the report was done during a period of reduced waste delivery and that once the facility was back to full production the drivers would monitor the odour level within the receival hall.

On 14 January the City of Wanneroo drivers recommenced waste delivery to the RRF. However on 1 February the drivers again complained about the air quality in the delivery hall and stopped delivering waste to the RRF. City of Wanneroo Manager Waste Operations and despatch supervisor visited site and determined that there was no problem with the air quality and following an internal meeting with the drivers, waste delivery was resumed on 2 February.

Following discussions at the TWG, the MRC Administration will investigate the installation of continuous air quality monitors equipment within the delivery hall.

The City of Wanneroo has nominated Paul Winton (Business Manager Waste Operations) as the contact person for dealing with the driver concerns.

Community Complaints

As a result of a number of complaints (refer Table No. 1 – KPI Summary) from the Wanneroo Golf Club, the MRC and SITA visited the club president (22/10/09) to discuss options to improve communications and reporting of odour complaints. It was agreed that the golf course groundstaff would report odours to SITA and be used as the “barometer” to assess levels of odour. A proforma complaints form was also provided to the golf course.

Following the meeting there have been a number complaints received from the golf course. This information is being used by SITA to evaluate the impact of the RRF on the golf course.

Members of the golf course management team have recently visited the RRF and confirmed that the smell that is being experienced on the course is that odour emanating from the biofilters.

On 18 November 2009 the DEC Licensing Officer and Air Quality Branch visited the RRF. SITA advised that the DEC visit “went very well”. The MRC Project Manager confirmed with the DEC that they were happy with the visit to the RRF.

There have been no odour complaints received since 18 November 2009; however, on 6 January a complaint was received from a member of the Wanneroo Golf Club. At this time the facility was not processing or receiving waste; hence the complaint was not attributed to the RRF.

Project Advisory Group

MRC Representatives:
Cr Laura Gray
Kevin Poynton (CEO)
Eddy Albrecht (City of Stirling)

BioVision Representatives:
Emmanuel Vivant
Marco Fontana Giusti
Nial Stock

MRC Alternates:
Elected Member to be nominated
Kalwant Dhillon
Chris Colyer (Town of Cambridge)

BioVision Alternates:
Casimiro da Fonseca
Craig Barker
Kevin Wilson

At the December 2009 Ordinary Council Meeting, Cr Laura Gray was nominated as the Elected Member on the PAG. In order to cover for Cr Laura Gray in her absence, it is necessary that an Alternate Elected Member be nominated. Council is requested to nominate an Alternate Elected Member to the PAG.

The PAG recently met on 1 December 2009 and again on 3 February 2010.

Items dealt with by the group include:

- ***Composter Structural Issues***
- ***Rectification Plan***
- ***Power Outage Plan***
- ***Waste Diversion Target***
- ***Odour Complaints***
- ***Minor Contractual Matters***
- ***BioVision Monthly Report/Update***
- ***Waste Residue Options***
- ***RRFA Audit***
- ***Waste delivery – City of Wanneroo Driver Concerns***

MRC Infrastructure Development

Building Works

BCL Construction was awarded the building works (Contract 13/95). ***This work has been completed, with only minor outstanding items yet to be finalised.***

Ultimately this contract took an additional six months to complete. This was as a result of rain delays during winter, minor design changes during construction and generally slow construction progress. The slow construction progress has cost the MRC an estimated \$150,000. During the tender evaluation and award process it was recognised that the building contractor had minimal relevant experience; however, the “experienced” contractor’s price was \$300,000 (45%) more expensive. Consequently, it was decided to award the works to the cheaper priced tender. Ultimately this was the right decision as the delay in construction had no material impact on the MRC and its commitments to BioVision and a real saving was achieved.

Groundwater Bores

Bore 1 and Bore 2 have been installed and plumbed into the permanent underground services to provide supply water to the RRF and MRC facilities.

Weighbridge

The automated weighbridge has been functioning since the commencement of commissioning (21 April 2009).

As previously reported, there have been reliability problems with the unmanned weighbridge. The majority of these have been progressively resolved; however reliability continues to be an issue. Typical problems include:

- Wireless communications between Neerabup and Tamala Park – breaks in communications
- Vehicles on weighbridge – driving onto weighbridge before other vehicle has driven off the other side; vehicles moving before transaction has been concluded
- Swipe cards – vehicles swapping swipe cards; lost swipe cards being cancelled and then being found and then reused

A temporary weighbridge operator has been put in the weighbridge office to monitor weighing procedures to resolve issues as they occur. It is hoped that, in time, once most issues have been resolved, the weighbridge operator can be removed and the weighbridge operated in an unmanned condition as originally anticipated.

In order to improve wireless communications between the RRF and Tamala Park, the MRC proposes to install a wireless mast and associated communication equipment at both facilities. This installation will include a number of cameras at the RRF to assist Tamala Park administration and operational staff to deal with weighbridge technical faults remotely.

MRC Future Site Works

On completion of the building works, the following activities are yet to be completed:

- Landscaping – ***compost trial plots have been substantially completed with the remaining activity being the planting of specific vegetation. This will occur once the weather cools down improve the chance of vegetation survival.***
- Visitors Centre fit-out - ***with the Visitors Centre having been completed, the MRC now has access to the facility in order to commence the planning of for the internal fit-out.***
- Develop site tour program - ***a number of tours have been undertaken. A full site tour program is currently being developed.***

Landscaping

The majority of the landscaping on site has recently been completed involving the planting of native shrubs and trees within the MRC area and along the road frontage. Native species have been selected to blend in with the Bush Forever area to the east of the site.

Infill planting to replace those shrubs and trees that have not survived the summer period will occur during winter 2010.

In addition, the trial plots developed adjacent to the Visitors Centre will contain trails using RRF compost in different quantities to grow a range of plants as a demonstration of the benefit of using compost.

Community Engagement

The MRC community engagement program continues to be managed via the Community Engagement and Advisory Group (CEAG).

The group last met on 2 December 2009 at the Joondalup Resort. Issues discussed at the meeting included:

- ***Project update***
- ***CEAG Terms of Reference***
- ***Community Partnership Agreement (CPA) Review of Performance***
- ***Complaints Management***
- ***CEAG Response to Draft Waste Strategy***

RRF Agreement (RRFA)

The RRFA is the contract that exists between the MRC and BioVision and besides typical contractual requirements, covers aspects relating to:

- Obligations of both the MRC and the contractor
- The Project Advisory Group
- Development security and performance guarantees
- Project agreements and lease
- Pre-Construction activities
- Construction activities
- Initial Operating Period (2 years)
- Operation and Maintenance
- Delivery and Treatment of Processable Waste
- Products and Residue
- Compost Marketing and Sales
- Variations and agreed variations
- Charges for performance of service
- Monitoring and records
- Financing
- Gate fee model
- Limits and Liabilities
- Insurance
- Default
- Force Majeure
- MRC Steps in rights
- Future Stages
- Miscellaneous provisions

Copies of the RRFA are available if so required by Councillors.

CONSULTATION

Consultation has occurred with the following groups:

- **JK Consultants**
- Freehills
- Woodhouse Legal
- BioVision2020
- SITA
- Member Councils

STATUTORY ENVIRONMENT

Nil

POLICY IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

The development and operation of resource recovery in the region is consistent with the following Principals described in Strategic Plan 2009 – 2029:

- Community Focus
- Innovation
- Partnership
- Leadership

In particular, Stage 1 RRF conforms with Objective 1 – Waste Management to maximise resource recovery and minimise waste to landfill in order to minimize environmental impact.

FINANCIAL IMPLICATIONS

As part of the Mid-Term Review the RRF budget has been reassessed with amendments made to suit operational conditions.

The amended Project Operational Summary setting out the 2009/10 facility operating budget, proposed revised budget and current operational costs is at Attachment 1 to this Item.

As a result of the Mid-Term Review, there have been a number of proposed amendments to the 2009/2010 Budget. These include increases in:

- ***Capital Works or \$300,000 within the context of the overall project budget of \$8.8M – These increases have been attributed to the following:***
 - ***\$95,000 Building works superintendant – the construction has taken 6 months longer to complete, consequently there has been additional superintendant input required.***

-
- **\$40,000 Air-conditioning – significantly increased requirements for A/C due to the Visitors’ Centre being a public venue (to comply with the design code requirements).**
 - **\$10,000 Boom Gate – A second boom gate required to control access on the bypass lane.**
 - **\$85,000 Telecommunications and cameras – Requirement to significantly improve remote communications between the RRF and Tamala Park to enable weighbridge faults to be rectified remotely.**
 - **\$15,000 Bore 2 connection – modifications to the connection of bore 2 to the water supply system.**
 - **\$15,000 Project Management – increased PM costs during the extended commissioning period in the 2008/2009 financial year.**
 - **\$30,000 Construction Management - increased CM costs during the extended commissioning period in the 2008/2009 financial year.**
 - **\$10,000 Community consultation – Increase community consultation during the 2008/2009 financial year.**
 - **Operating Expenses proposed budget increases total \$150,000:**
 - **\$50,000 for legal costs associated with managing the composter crack process and the associated Rectification Plan and Standstill Deed.**
 - **\$5,000 for insurance consultant costs for the potential insurance claim associated with the composter cracks.**
 - **\$10,000 for MRC Project/Contract Management costs to account for the additional time spent on the composter crack issues, Rectification Plan and Standstill Deed.**
 - **\$35,000 for MRC temporary staff. The temporary staffing is required at the RRF weighbridge to respond to weighbridge breakdown matters. The automated weighbridge equipment continues to experience technical difficulties primarily relating to the communication between the RRF and Tamala Park. Until the upgraded communications system has been installed and proven to be operating successfully, it is necessary that the temporary staffing arrangements continue.**
 - **\$40,000 for anticipated costs associated with continuous monitoring of air quality within the delivery hall (\$50K) and savings due to under expenditure of this item in the first half of the year (-\$10K).**
 - **\$10,000 for landscaping and gardens to cover additional costs associated with developing the trial planting areas and gardening around the Visitors Centre.**

As part of the midyear review there have also been a number of reductions in budget line items. These reductions include the following:

- **\$27,500 for building maintenance, cleaning and security, fence and gate maintenance, road maintenance and utilities. Costs associated with these items have been halved from the annual budget due to the Visitors**

Centre only being operated by the MRC for half of the year (due to construction delays).

- *\$14,000 for council rates. The original budget estimate was based on the previous year's expenditure. This was an overestimate (rates for 2008 and 2009 were paid in the 2008/2009 financial year) and rates for the full financial year have now been paid; consequently, the remainder in this item will not be spent.*
- *\$225,000 for disposal of compost. Due to the reduced Availability of the RRF there has been a corresponding reduction in the quantity of compost produced. This item has been reduced accordingly.*
- *\$2 million for RRF gate fees (paid to BioVision). This value represents the actual saving in gate fees paid to BioVision up 31 December 2009 as a result of the reduced Availability. It has been presumed that any reduced availability as a result of the composter cracks from 1 January 2010, will be caught up within the remaining six months of the current financial year and hence the MRC will incur the full cost of processing this waste. Consequently, there is no additional saving in this item anticipated above what has been achieved up to 31 December 2009. Should BioVision be unable to catch up the reduced Availability during the remainder of this current financial year the Standstill Deed allows BioVision to catch up the shortfall in the following contract year. Consequently, the MRC will ultimately incur the costs for the shortfall; however, in the following financial year. In this circumstance any further "savings" will be carried forward into the 2010/2011 financial year.*

The proposed budget reductions total \$2,266,500.

The net budget savings, excluding capital works, total \$2,116,500.

As a result of the composter cracks and associated reduced Availability there have been a number of additional expenses that the MRC has incurred. These include:

- *Project Management costs*
- *Specialist Consultant costs*
- *Legal costs*
- *Insurance advisory costs*
- *Payment of the minimum Capital Cost (92% CC)*
- *Landfilling costs (and associated airspace consumption at Tamala Park).*

These costs have been included in the above proposed budget increases.

The MRC has formally submitted a notification to the project insurers of its intention to submit an insurance claim as a result of the Forced Outage.

An insurance assessor is yet to be provided by the project insurers to review the MRC potential claim. It is likely that some of the above additional expenses will be recovered through the Project Insurance.

MRC OFFICER RECOMMENDATION

That Council note the RRF update report.

TECHNICAL WORKING GROUP – 5 FEBRUARY 2010

The Group agreed minor amendments to the following:

- Include availability graph
- Include cost/tonne graph
- Increase budget review values to include \$50K for air quality monitoring in the delivery hall

TWG OFFICERS RECOMMENDATION

That Council:

- (i) Note the RRF update report**
- (ii) Confirm the nomination of as the Alternate Elected Member to the PAG**

ATTACHMENT ONE
TO ITEM 2
TECHNICAL WORKING GROUP
5 FEBRUARY 2010
RRF FINANCIAL TABLE

Project Operational Costs Summary

Item	Budget	Proposed Revised Budget	Expenditure (to 31/12/09)	% Spent (of Budget)	Comments on Proposed Revised Budget
Capital Expenses					
2008/2009 Carryover	\$ 829,000	\$ 885,000	\$ 437,573	52.8%	Approved Project Capital Budget = \$8.8M. Spent to 30/6/09 = \$8.215M. To spend in 2009/10 = \$885k. Total forecast project spend = \$9.1M. Therefore project overrun = \$300k. Increased costs associated with: Building works superintendent costs (\$95k), Air-conditioning (\$40k), Boom gate (\$10k), telecommunications and cameras (\$85k), Bore 2 connection (\$15k), Project Management (\$15k), Community Consultation (\$10k), Construction management (\$30k).
Total Capital Expenditure	\$ 829,000	\$ 885,000	\$ 437,573	52.8%	
Operating Expenses					
Consultancy					
Specialist Project Consultants	\$ 50,000	\$ 50,000	\$ 19,017	38.0%	No change.
Legal Consultants	\$ 50,000	\$ 100,000	\$ 54,624	109.2%	Increased legal costs associated with the composte cracks and associated Standstill Deed.
Financial Consultants	\$ 10,000	\$ 10,000	\$ -	0.0%	No change.
Insurance Consultants	\$ 10,000	\$ 15,000	\$ 500	5.0%	Increased insurance advisory costs for the potential insurance claim associated with the composte cracks.
Project/Contract Management	\$ 80,000	\$ 90,000	\$ 54,438	68.0%	Increased to account for the additional time spent on the composte crack issues.
Temporary Staff	\$ 10,000	\$ 45,000	\$ 20,000	200.0%	Increased to cover the temporary staffing at the RRF weighbridge.
Sub-total	\$ 210,000	\$ 310,000	\$ 148,579	70.8%	
Facility Operations					
Building Maintenance	\$ 10,000	\$ 5,000	\$ -	0.0%	Reduced by 50% due to the MRC building works taking an additional six months to complete.
Building Cleaning	\$ 5,000	\$ 2,500	\$ -	0.0%	Reduced by 50% due to the MRC building works taking an additional six months to complete.
Building Security	\$ 20,000	\$ 10,000	\$ -	0.0%	Reduced by 50% due to the MRC building works taking an additional six months to complete.
Fencing and Gate Maintenance	\$ 5,000	\$ 2,500	\$ -	0.0%	Reduced by 50% due to the MRC building works taking an additional six months to complete.
Road Maintenance	\$ 5,000	\$ 2,500	\$ -	0.0%	Reduced by 50% due to the MRC building works taking an additional six months to complete.
Bore and Pipework Maintenance	\$ 5,000	\$ 5,000	\$ -	0.0%	No change.
Environmental Monitoring	\$ 20,000	\$ 60,000	\$ -	0.0%	Increased by \$50k to cover anticipated costs associated with continuous monitoring in the delivery hall, decrease by \$10k due to under expenditure in the first half of the year. Net increase of \$40k.
Community Monitoring Program	\$ 45,000	\$ 45,000	\$ 25,471	56.6%	No change.
Landscape and Gardens	\$ 30,000	\$ 40,000	\$ 21,420	71.4%	Increased due to actual costs associated with landscaping and the development of trial planting plots around the Visitors Centre.
MRC Admin Charge	\$ 100,000	\$ 100,000	\$ 49,998	50.0%	No change.
Utilities	\$ 10,000	\$ 5,000	\$ -	0.0%	Reduced by 50% due to the MRC building works taking an additional six months to complete.
Council Rates	\$ 27,000	\$ 13,000	\$ 12,862	47.6%	Reduced to account for the actual Rates paid during the Financial Year.
Compost Disposal	\$ 545,000	\$ 320,000	\$ 73,305	13.5%	Reduced to account for the reduction in compost production associated with the reduced Availability as a result of the composte cracks.
RRF Gate Fees	\$ 14,600,000	\$ 12,600,000	\$ 4,739,474	32.5%	Reduced to account for the reduction in waste delivery associated with the reduced Availability as a result of the composte cracks. The reduced Availability is that between September and December 2009. It has been anticipated that the reduced Availability during January 2010 will be caught up during the remainder of the year and hence the MRC will incur the originally budgeted costs during the second half of the Financial Year.
Sub-Total	\$ 15,427,000	\$ 13,210,500	\$ 4,922,530	31.9%	
Total Operating Expenses	\$ 15,637,000	\$ 13,520,500	\$ 5,508,682	35.2%	

CONFIDENTIAL ITEM

**ITEM 8.1.3 RESOURCE RECOVERY FACILITY – ISSUES RE REDUCED
AVAILABILITY OF PROCESSING CAPABILITY**

File No: WST/119 (D/10/590)

**Attachment(s): 1. Standstill Deed dated 27 January 2010
 2. Standstill Deed Key Element Timeline**

Author: Kevin Poynton

THIS ITEM IS CONFIDENTIAL, NOT FOR PUBLIC VIEWING.

SEPARATE COVER TO ELECTED MEMBERS

ITEM 4	MINDARIE REGIONAL COUNCIL OFFICER FORUMS
File No:	GOV/29 (D/10/591)
Attachment(s):	1. Terms of Reference - Agenda Review Committee 2. Terms of Reference – Strategic Project Committee
Author:	Kevin Poynton

SUMMARY

The purpose of this report is to provide Council with recommendations for the Terms of Reference of officer forums for consideration of Mindarie Regional Council (MRC) business issues.

BACKGROUND

Council at its Ordinary Council Meeting held on 10 December 2009, resolved as follows:

That Council:

- (i) *Endorse consultant recommendations as follows:*
- *That two committees be established, with one to consider upcoming Mindarie Regional Council Meeting Agendas (the Agenda Review Committee) and the other committee established to deal with strategic projects as a planning group (Strategic Project Group)*
 - *That the committee dealing with the agenda review not be established as a committee of the Council but rather an ad hoc group be convened by the Mindarie Regional Council CEO*
 - *That the committee dealing with the strategic projects be established as a committee of the Council under s5.8 and s5.9(2)(e) (employees and other persons) of the Local Government Act 1995*
 - *That the Mindarie Regional Council CEO in convening a committee related to agenda review consider calling it the "Agenda Review Committee"*
 - *That the name of the proposed project planning committee to be established under s5.8 of the Local Government Act 1995 be called the Strategic Project Committee*
 - *That the membership of the proposed Agenda Review Committee be determined by the Mindarie Regional Council CEO on the understanding that each member Council will be invited to have one representative on the Committee*
 - *That the Mindarie Regional Council in establishing the proposed Strategic Project Committee appoint the Mindarie Regional Council CEO and the CEO or his/her nominee as the employee representative from each member Council*
 - *That the Mindarie Regional Council in establishing the proposed Strategic Project Committee appoint a deputy to the Mindarie Regional Council CEO and member Council CEO of another employee as deputy representative by position title*

-
- *That employees, other than the member Council representative or deputy member Council representative, be permitted to attend meetings of the Strategic Project Committee to provide specialist knowledge and support*
 - *That the Strategic Project Committee of the Council submit a report to each Mindarie Regional Council Meeting*
 - *That the report of the Strategic Project Committee contain where appropriate recommendations and progress reports on matters under consideration by the Strategic Project Committee.*
 - *That a Mindarie Regional Council Agenda contain a “stand alone” agenda item for the receiving and consideration of the minutes from meetings of the Strategic Project Committee*
 - *That the Mindarie Regional Council CEO consider when establishing the Agenda Review Committee including the following roles and functions in the terms of reference:*
 - 1) *examine all the reports that are to be included on the MRC Meeting Agenda;*
 - 2) *review the information provided in each agenda item to ensure that it is adequate for the MRC to make a decision;*
 - 3) *ensure all matters have a recommendation or an explanation as to why no recommendation has been submitted; and*
 - 4) *ensure the recommendations reflect the current policy and practice of the MRC and member Councils.*
 - *That the Strategic Project Committee prepare for consideration by the Mindarie Regional Council a draft terms of reference for the role and function of the Strategic Project Committee, having regard to the following:*
 - 1) *lead research and policy direction on key strategic issues for recommendation to the MRC;*
 - 2) *address any cross organisational issues that would benefit from focussed effort and corporate attention and oversight;*
 - 3) *address any issues that may have a high social, environmental and financial impact on the member Councils or the MRC;*
 - 4) *consider the reports prepared on strategic projects and recommend to the MRC an appropriate course of action; and*
 - 5) *assist the MRC CEO in developing strategies to respond to Government requirements as they affect the business operations of the MRC*
- (ii) *Authorise Chief Executive Officer to develop a policy, including Terms of Reference for the Agenda Review Committee and Strategic Project Committee, for consideration by Council in February 2010*

Further work has now been conducted by the CEO, and others, on the development of the Terms of Reference for the Agenda Review Committee and the Strategic Project Committee. These Terms of Reference are at Attachments One and Two to this item

Council consideration is now appropriate.

DETAIL

Agenda Review Committee

Key points to note are as follows:

- ***The Committee is not established under the relevant section of the Local Government Act***
- ***Appointment of member Council representatives is flexible***
- ***The Committee will consider the vast majority of items for Council consideration***

Strategic Projects Committee

Key points to note are as follows:

- ***This Committee is established as a Committee at MRC***
- ***Appointment of member Council representatives, for voting purposes, is limited***
- ***The work of this Committee will be forwarded directly to the Council, without further consideration by the Agenda Review Committee***

Implementation

It is proposed to implement this revised approval following the Ordinary Council Meeting of 22 April 2010. Key dates for these meetings are as follows:

Agenda Review Committee

- 11 June 2010
- 06 August 2010
- 08 October 2010
- 19 November 2010

Strategic Projects Committee

- 14 May 2010
- 09 July 2010
- 10 September 2010
- 22 October 2010

CONSULTATION

- TWG Officers
- MRC Administration
- External Consultants

STATUTORY ENVIRONMENT

The revised model is consistent with good governance.

The revised model has no implications for the revision of the MRC Standing Orders Local Law.

POLICY IMPLICATIONS

Not applicable.

STRATEGIC IMPLICATIONS

Not applicable.

FINANCIAL IMPLICATIONS

Not applicable.

MRC OFFICER RECOMMENDATION

That Council:

- (i) approve the Terms of Reference (Attachment One to this Item) for Agenda Review Committee
- (ii) approve the Terms of Reference (Attachment Two to this Item) for the Strategic Projects Committee

TECHNICAL WORKING GROUP MEETING – 5 FEBRUARY 2010

The Group agreed a minor amendment to the Terms of Reference for the Strategic Project Committee i.e. include additional task as follows:

“consider strategic, financial and operational planning matters associated with projects related to the MRC business”

The Group also recognised that other forums, such as workshops, should be used, where appropriate.

TWG OFFICERS RECOMMENDATION

That Council:

- (i) **approve the Terms of Reference (Attachment One to this Item) for Agenda Review Committee**
- (ii) **approve the Terms of Reference (Attachment Two to this Item) for the Strategic Projects Committee**

NOTE:

Absolute majority required for recommendation, part (ii)

ATTACHMENT ONE
TO ITEM 4
TECHNICAL WORKING GROUP
5 FEBRUARY 2010
TERMS OF REFERENCE – AGENDA REVIEW COMMITTEE

MINDARIE REGIONAL COUNCIL

TERMS OF REFERENCE - AGENDA REVIEW COMMITTEE

1. Agenda

The primary objective of the Agenda Review Committee (the Committee) is to review the contents of the Mindarie Regional Council (MRC) Meeting agenda in preparation for distribution to the Councillors and member Councils. Once reviewed, the document will be developed into the final agenda that is submitted to the MRC Meeting.

2. Powers

The Committee is established by the MRC Chief Executive Officer (CEO) and will not be a Committee of the MRC under s5.8 and s5.9(2)(e) (employees and other persons) of the *Local Government Act 1995* (the Act).

3. Membership

The Committee will consist of the MRC (CEO) and his representatives and the CEO or his/her nominees as employee representatives from each member Council.

The MRC CEO will chair the Committee.

Employees other than the member Council representatives are permitted to attend meetings of the Committee to provide specialist knowledge and support.

The MRC shall provide secretarial and administrative support to the Committee.

4. Meetings

The Committee shall meet as required to consider the upcoming MRC Meeting Agenda, both ordinary and special meetings.

5. Reporting

As the primary objective of the Committee is to review the contents of the Mindarie MRC Meeting Agenda there are no specific reporting requirements.

6. Role and Function

The Role and Function of the Committee is to:

- examine all the reports that are to be included on the MRC Meeting Agenda;
- review the details to ensure that the information is adequate for the MRC to make a decision;
- ensure all matters have a recommendation or an explanation as to why no recommendation has been submitted; and
- ensure the recommendations reflect the current policy and practice of the MRC and member Councils.

ATTACHMENT TWO
TO ITEM 4
TECHNICAL WORKING GROUP
5 FEBRUARY 2010
TERMS OF REFERENCE – STRATEGIC PROJECT COMMITTEE

MINDARIE REGIONAL COUNCIL

TERMS OF REFERENCE - STRATEGIC PROJECT COMMITTEE

1. Objective

The primary objective of the Strategic Project Committee (the Committee) is to undertake planning, research and development of strategic projects for recommendation to and consideration by the Mindarie Regional Council (the MRC).

2. Powers

The Committee will be established by absolute majority decision as a Committee of the MRC under s5.8 and s5.9(2)(e) (employees and other persons) of the *Local Government Act 1995* (the Act).

The Committee will not have any general delegated authority however s5.17(1)(c) of the Act gives the MRC authority to grant limited delegation as required.

3. Membership

The Committee will consist of the MRC Chief Executive Officer (CEO) and the CEO or his/her nominee as the employee representative from each member Council. This in effect provides for a membership of eight persons. All members shall have full voting rights.

The MRC CEO and the member Council CEO is also entitled to appoint another employee as a deputy member. Such member is permitted to attend meetings but will only have voting rights in the absence of the duly appointed member.

Employees other than the member Council representative or deputy member Council representative are permitted to attend meetings of the Committee to provide specialist knowledge and support.

The MRC shall provide secretarial and administrative support to the Committee.

4. Meetings

The Committee shall meet every two months at a time that will enable any report to be submitted to the next meeting of the MRC.

The MRC Standing Orders will, as appropriate, apply to the meetings of the Committee.

Special Committee meetings shall be convened at the discretion of the presiding person.

5. Reporting

As the Committee is an appointed committee of MRC reports from the Committee will be formally presented to the MRC at each meeting of the MRC. The reports will contain recommendations, progress reports on matters under consideration and such other matters relevant to the Committee's terms of reference.

To assist this process the MRC Agenda will contain a specific item for the receipt and consideration of the minutes of meetings of the Committee.

Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council.

The Committee shall report annually to the Council summarising its activities during the previous financial year.

6. Role and Function

The Role and Function of the Committee is to:

- lead research and policy direction on key strategic issues for recommendation to the MRC;
- address any cross organisational issues that would benefit from focussed effort and corporate attention and oversight;
- address any issues that may have a high social, environmental and financial impact on the member Councils or the MRC;
- consider the reports prepared on strategic projects and recommend to the MRC an appropriate course of action;
- assist the MRC CEO in developing strategies to respond to Government requirements as they affect the business operations of the MRC; and
- address issues brought to the attention of the Committee, including responding to requests from the MRC for advice that is within the Committee's terms of reference.
- consider strategic, financial and operational planning matters associated with projects related to the MRC business.

**ITEM 5 FINANCIAL MANAGEMENT – MID YEAR FINANCIAL REVIEW –
FINANCIAL YEAR 2009/2010**

File No: FIN/80 (D/10/592)

**Attachment(s): 1. Financial Statement as at 31 December 2009
2. Summary of Capital Expenditure as at 31 December 2009
3. Comparison of Gate Fees**

Author: Kalwant Dhillon

SUMMARY

The purpose of this report is to describe the financial position of the organisation in relation to the Adopted Budget and Business Plan and Actuals and recommend changes that will reflect the anticipated outcomes for the balance of the 2009/10 financial year. This will assist in better ongoing management of the Mindarie Regional Council operations and provide stakeholders with a view of the likely result at the conclusion of the financial year.

BACKGROUND

Council at its meeting held on 23 July 2009, resolved as follows:

That Council:

- (i) adopt the draft Budget for the Mindarie Regional Council for Financial Year 2009/2010*
- (ii) endorse the on-going strategy of deferred payment of operational surplus, as approved by Council at its August 2005 meeting, for the FY 2005/2006 and future years to meet its on-going capital requirements and debt reduction*
- (iii) Approve the increase in the overdraft of \$5 million to manage cash flow 'short falls' up to the adoption of the 2010/2011 budget as well as accommodate any payment at short-notice, that may eventuate under the terms of the RRF agreement subject to –*
 - the Councillors and Member Councils being given a minimum of two (2) working days notice of when the draw down on the overdraft is to exceed \$1,000,000*
 - a report is to be made to the next Council meeting following when the draw down on the overdraft has exceeded \$1,000,000 detailing the reasons, the cash-flow projections showing what the projected maximum draw down will be, over what time frame and when the overdraft will be repaid*
 - the overdraft limit being reconsidered and approved with the adoption of each annual budget*
- (iv) approve the capital budget allocation of \$17.345m in respect of the Landfill Excavation, Purchase of Land and RRF infrastructure to be carried forward from 2008/2009 to 2009/2010*
- (v) note that the loan of \$6.6m approved in 2008/2009 to fund the Phase 3 landfill excavation will be drawn in 2009/2010*

Council operations have been conducted in line with the strategies and objectives incorporated in the Council's Strategic Plan, Annual Business Plan and Adopted Budget 2009/2010. Monthly Financial Statements on the Actual Expenditure and Variations from the Adopted Budget have been submitted to each Council meeting. In line with benchmark practice and to comply with Local Government Regulations a detailed review of Council operations at 31 December 2009 has been carried out.

The methodology of this report is:

- to comment by exception on those items that reflect significant trend variations to budgeted allocations,
- to provide revised financial projections to 30 June 2010 as required, to recognise such variations and statutory obligations that will allow for the ongoing effective management of the financial plan for the remainder of the financial year, and
- to invite Council consideration of any new expenditure identified as a result of the Review

The Financial Statement as at 31 December 2009, reflecting the Adopted Budget and Actual Expenditure to 31 December 2009 is enclosed under Attachment One of this report. Any revised estimates or re-allocations are included in the recommendations.

Attachment Two is a summary of the Capital Expenditure.

DETAIL

Revenue

Review of the revenue for 2009/10 indicates the following:

- **Tipping Fees**

- ***Member Fees***

- Members Tipping revenue for the first half year at \$15.4million is approximately \$0.6million below the projected budget of \$16million for the six months to 31 December 2009. However, the revenue for the year is expected to improve with the higher tonnages of waste expected over the 'Summer' months and the revenue is expected to be on target or close to target.

- ***Non-Member - Casual Fees***

- Casual fees for the six months is approximately \$0.44million below projected budget for the six months to 31 December 2009. Although the revenue is expected to improve marginally with higher tonnages of waste expected over the 'Summer' months, the revenue for Casuals is expected to be \$0.4million lower than the budget of \$5.018million for the year ending 2009/2010 even after taking into account the increase in Casual Fees being recommended (refer below). Recommended that revenue from Casual Fees be reduced by \$0.4million to \$4.618million.

- The fee for Casuals has been reviewed in conjunction with the increase in DEP Levy (effective January 2010) and taking into account the following principles.

- Principle of 'Full Cost' recovery
 - Recovery of full DEP levy (including increase effective 1 January 2010)

-
- Comparison with Competitors (refer Appendix 1)
 - Comparison with Balcatta Transfer Station(refer Appendix 1)
 - Market conditions

Based on the review, in line with the above principles, the Casual fee is recommended for increase to \$128/tonne (inclusive of GST) which also takes into account the fact that the Fee needs to be sustainable for the continuity of Casual Revenue going forward.

Non-Member Fees – South Perth and other Non-Member Councils

Revenue for South Perth is unlikely to meet the budget of \$0.34million as South Perth is now contracted to send their waste to another Facility. Recommended the budget be revised to \$20,000.

- **Sale of Recyclable Material**

The revenue for recyclable material has exceeded the budget for the year as a result of increased revenue from the clearance of the back log of recyclable 'metal' and sale of other recyclable items. Taking this trend into account, it is recommended that the budget be revised from \$240,000 to \$380,000.

- **Interest Earning**

The interest earnings are expected to be approximately \$100,000 above the budget of \$369,100 as a result of the continued trend in the increase of interest rates. It is recommended that the budget be revised to \$469,100.

- **Gas Power Generation Sales**

Sale of Receivable Energy Certificates (REC) has been held back due to the change in conditions which has resulted in lower prices. However, target of \$550,000 is expected to be achieved.

- **Grants and Subsidies**

Grants income is expected to be \$80,000 higher for the year and it is recommended that the budget be revised from \$320,000 to \$400,000.

- **Contributions, Reimbursements & Donations**

The funding for the Tox-Free payments from DEC is now being funded through WALGA who pays the supplier directly. In view of this, the reimbursements will be down by approximately \$120,000. Recommended that the budget be revised from \$340,000 to \$220,000.

Operating Expenditure

MRC's overall operating expenditure for the six months to 31 December 2009 is \$14.9million which is approximately \$2.4million below the projected budget, for the six months to 31 December 2009, of \$17.3million.

The decrease in the actual expenditure (compared to the projected six months budget to 31 December 2009) of \$2.4million can be analysed as follows:

- RRF Operations \$2.28million
- Landfill Operations and Administration \$0.12million

RRF Operations - \$2.28million

The savings of \$2.28million in the RRF operations is due to the following:

- \$2million for RRF gate fees (paid to BioVision). This value represents the actual saving in gate fees paid to BioVision up to 31 December 2009 as a result of the reduced Availability of the RRF.

It has been presumed that any reduced availability as a result of the composter cracks from 1 January 2010, will be caught up within the remaining six months of the current financial year and hence the MRC will incur the full cost of processing this waste. Consequently, there is no additional saving in this item anticipated above what has been achieved up to 31 December 2009. If BioVision is unable to catch up the reduced Availability during the remainder of this current financial year, the Standstill Deed allows BioVision to catch up the shortfall in the following contract year. Consequently, the MRC will ultimately incur the costs for the shortfall; however, in the following financial year. In this circumstance any further "savings" will be carried forward into the 2010/2011 financial year.

- \$225,000 for disposal of compost. Due to the reduced Availability of the RRF there has been a corresponding reduction in the quantity of compost produced. This item has been reduced accordingly.
- \$27,500 for building maintenance, cleaning and security, fence and gate maintenance, road maintenance and utilities. Costs associated with these items have been halved from the annual budget due to the Visitors Centre only being operated by the MRC for half of the year (due to construction delays).
- \$10,000 for environmental monitoring. In the first half of the year there was no requirement for the MRC to undertake any environmental monitoring on-site; consequently, this item has been halved.
- \$14,000 for council rates. The original budget estimate was based on the previous year's expenditure. This was an overestimate (rates for 2008 and 2009 were paid in the 2008/2009 financial year) and rates for the full financial year have now been paid; consequently, the remainder in this item will not be spent.

These savings are being offset by additional charges incurred in relation to the RRF operations (\$160,000 - mainly for the Standstill Agreement and Air Quality Monitoring in Delivery Hall) and the landfill business (\$486,000) as a result of the additional waste diverted from RRF to the Landfill Facility due to the temporary closure of RRF.

Additional cost being incurred for the Landfill Operations for the six months to 31 December 2009 is relating to the following:

• DEP Levy	\$151,000
• Amortisation Charges	\$285,000
• Variable Cost (in relation to fuel and Hire of Plant & Equipment)	\$ 50,000
	\$486,000

It is recommended that the budget for RRF be reduced by \$2.12million (\$2.28m less \$0.16m) and inline with this, it is recommended that the Landfill Operations budget be increased by \$486,000 (as summarised above) to cover the additional cost being incurred due to diversion of waste from RRF to Landfill Facility.

As mentioned above, it is assumed that any reduced availability as a result of the Composter cracks from 1 January 2010, will be caught up within the remaining six months of the current financial year. In view of this, no further savings are expected on the RRF Operations for remainder of the financial year 2009/2010.

However, an assessment will be carried out at the end of the 2009/2010 financial year to establish the actual position.

It is also recommended that the estimated net savings of \$1.6million (\$2.12million less \$0.486) be taken into account in the calculation of the Gate Fees for 2010/2011.

Landfill Operations and Administration - \$0.12million

The marginal saving of \$0.12million for the Landfill Operations is due to lower expenditure as a result of 'seasonal' variations, which has been partially offset by additional cost incurred so far in relation to DEP levy, amortisation cost and variable expenses arising from the additional waste being diverted from RRF to Landfill Facility, due to temporary closure of RRF.

The Landfill Operations and Administration's operating expenditure is expected to be \$90,000 below the budget for the financial year ending 2009/2010 **excluding** the additional cost of \$486,000 associated with the diversion of waste from RRF to the Landfill Facility, as mentioned above.

However, a reallocation of budget is necessary to accommodate the trend in the expenditure for the operations of Mindarie Regional Council pertaining to the Landfill Facility and Administration.

Savings:

	\$'000
• Reduction in Depreciation Cost	80
• Reduction in Interest Expense – relating to \$6.6m not to be drawn down in 2009/10	66
• Landfill Expenses	210
	\$356

Less:

Re-allocation of Additional Budget

	\$'000
• Research and Planning – stakeholder survey	80
• Insurance Costs	16
• Contract Labour	20
• Office Expenses	7
• Plant and Equipment Hire	138
• Members Costs	5
	\$266

Net Savings \$90

Capital Expenditure

Landfill Operations and Administration

The overall capital expenditure is progressing well. However, savings are expected in relation to the excavation and lining cost associated with Stage 2 Phase 3 Excavation. The budget allocation was based on the lining for the whole cell to be completed prior to the use of the "Cell" but due to Environmental and Operational reasons, the lining will be done only for the base and lower part of the walls of this "Cell". The net savings of \$8.523million will be spent over the next 4 to 5 years on the clay lining which would be carried out gradually as this 'Cell' is filled with waste.

Summary of the Savings and additional Expenditure is as follows:

Savings

	\$'000
• Excavation – Stage 2 Phase 3 Construction	4,700
• Excavation / Earthworks	4,200
	<hr/> 8,900

Less:

Allocation to other projects.

	\$'000
• Replacement of Water Truck	200
• Replacement of Servers at Administration Building and Weighbridge	50
• Workshop Extension (approved at December 2009 OCM)	100
• New Laser Level (replace faulty Laser at Tipface)	6
• Leak Detectors / Gas Detectors (compliance with National Legislation)	1.4
• Ground Monitor (to assist staff with fire vehicles)	4
• Replace DVR Recorder at Weighbridge (faulty)	6
• Upgrade Recycling Centre Water Main (higher cost for boring under roads)	9

Sub Total

377

Net Savings **\$8,523**

Replacement of Water Truck

MRC has a Landfill Licence requirement to maintain dust suppression at Tamala Park. The area of the landfill and surrounds required to be dampened down for mandatory dust suppression exceed the capacity of the current 12,000 litre water truck. A vehicle with twice the capacity is now needed to provide effective dust suppression. A hire water truck and staff working out of roster are being used to cover the shortfall. The replacement will generate savings in hire of equipment.

Replacement of Server

The Manufacturer of the servers at the Weighbridge and Administration has recently announced that the warranty on the existing servers will not be extended on the expiry of the existing warranty in March 2010 as the server models are no longer in production. There is a high risk of disruptions to the operations if these servers fail and therefore these servers need to be replaced by March 2010.

Loan (6.6m) – Funding of Stage 2 Phase 3 Excavation Project

In view of the deferral of the \$8.5million capital expenditure in 2009/2010, the loan of \$6.6million approved by Council at the July 2009 OCM will not be drawn in 2009/2010.

RRF Operations

Additional Capital Cost required for the RRF **\$440,000**

Funding for this additional cost is recommended from the Liquidated Damages refunded to MRC (by BioVision 2020 Pty Ltd, in line with RRF agreement and savings in 2009/2010 from the RRF Operations (refer to RRF Operations under Operating Expenditure above).

SUMMARY

Operational

Revenue

The overall revenue is expected to be approximately \$0.5million lower than the budget for the year ending 30 June 2010 due to the following:

	\$'000
Decrease in Revenue	
• Drop in revenue from Casuals	380
• Drop in revenue from South Perth	320
• Drop in reimbursements from DEC (Tox Free payments)	120
	820
Less:	
Increase in Other Revenue	
	\$'000
• Interest Receivable	100
• Recycling Income	140
• Grants & Subsidies	80
	320
Net decrease	\$500

Expenditure

The overall expenditure is expected to be \$1.7million (RRF operations - \$1.6million and Landfill operations -\$0.1million) lower as a result of mainly the savings resulting from the closure of the RRF for the repairs of the Composters. These savings are net of the increased expenditure for the RRF and the Landfill Operations as a result of the diversion of waste from RRF to Landfill Facility due to the temporary closure of RRF.

These are summarised below together with the reallocation of the budget for certain expenditure items to align it with the current pattern of expenditure for the operations of the MRC pertaining to the Landfill and Administration for the 2009/10 financial year.

RRF Operations

Savings

	\$'000
• Reduced gate fees payable to Contractor as a result of temporary closure of RRF for repairs of Composters	2,225

Less:

Net increase in RRF expenditure

	\$'000
• Consulting and Contract Labour	100
• Landscaping and Gardens	10
• Environmental Monitoring (Air Quality Monitoring in Delivery Hall)	50
• Environmental Monitoring (on-going)	(10)
• Building Maintenance etc.	(28)
• Council Rates	(14)
Net Increase	<u>108</u>

Increased Cost to Landfill Operations due to diversion of waste from RRF to Landfill

	\$'000
• DEP Levy	151
• Increased amortisation due to use of space at Landfill	285
• Increase in variable costs relating to fuel, part-time staffing etc.	50
	<u>486</u>
Anticipated Savings	<u>\$1,631</u>

Landfill Operations

Savings:

	\$'000
• Reduction in Depreciation	80
• Reduction in Interest Expense - \$6.6m not to be drawn down in 2009/10	66

• Landfill Expenses	210
	<u>356</u>
Less:	
Re-allocation of Additional Budget	
	\$'000
• Research and Planning – customer survey	80
• Insurance Costs	16
• Contract Labour	20
• Office Expenses	7
• Plant and Equipment Hire	138
• Members Costs	5
	<u>266</u>
Net Savings	\$90

Capital

Landfill Operations

The Capital Program is in line with the budget with the exception of the Stage 2 Phase 3 Excavation Project where there are savings of approximately \$8.523million associated with the 'lining' and excavation cost.

These savings are offset by additional allocation required for the capital projects listed below.

Savings

	\$'000
• Excavation – Phase 3 Stage 2 Construction	4,700
• Excavation / Earthworks	4,200
	<u>\$8,900</u>

Less:

	\$'000
Allocation to other projects.	
• Replacement of Water Truck	200
• Replacement of Servers at Administration Building and Weighbridge	50
• Workshop Extension (approved at December 2009 OCM)	100
• New Laser Level (to replace faulty Laser at Tipface)	6
• Leak Detectors / Gas Detectors (compliance with National Legislation)	2
• Ground Monitor (to assist staff with fire vehicles)	4
• Replace DVR Recorder at Weighbridge (faulty)	6

- Upgrade Recycling Centre Water Main (higher cost of boring under roads) 9

Total	377
Net Savings	\$8,523

RRF Operation

Additional capital cost required for MRC Assets at RRF **\$440,000**

With this increased expenditure, the total cost in 2009/10 in relation to this RRF Project would be \$885,000 and the grand total for this RRF capital project to-date would be \$9.1million.

Council has approved \$8.8million to date for this project, and approval for an additional \$300,000 is required.

This project is funded to \$8.6million through the 3 loans (10a, b and c) and the additional cost of \$0.5million (\$9.1million less \$8.6million) for this project is recommended to be funded as follows:

	\$'000
• Amount relating to Liquidated Damages refunded to MRC (on completion of RRF)	417
• From the operational savings for 2010/11 (refer above)	83
Total	\$500

TECHNICAL WORKING GROUP – 5 FEBRUARY 2010

The group discussed and agreed on an additional provision of \$50,000 for Air Quality Monitoring in the RRF Delivery Hall.

MRC AND TWG OFFICER RECOMMENDATION

That Council:

- (i) note the results of the mid-year review which highlights a net drop in revenue anticipated at \$0.5million and a net increase in surplus for the year expected at \$1.3million (after taking into account the savings on the RRF Operations and Landfill Expenditure)
- (ii) note that operating expenditure for 2009/10 is expected to have an estimated net savings of \$1.7million which arose from the following:

(a) net decrease in RRF Operational Expenditure	\$(2.1)m
(b) increase in Landfill Operational Expenditure	\$0.4m
Net Savings	\$ (1.7)m

(iii) approve the increase/(decrease) in operational expenditure for RRF operations resulting in a savings of \$2.117million

	\$'000
• Reduced Gate Fees payable to Contractor	(2,000)
• Reduction in Compost Fees	(225)
• Building Maintenance etc.	(28)
• Council Rates	(14)
• Environmental Monitoring (on-going)	(10)
• Environmental Monitoring (Air Quality Monitoring in Delivery Hall)	50
• Consulting and Contract Labour	100
• Landscaping and Gardens	10
Net Savings	<u>\$(2,117)</u>

(iv) approve the increase in Landfill Operational Expenditure by \$0.486million in the following areas associated with the additional expenditure for landfill operations due to diversion of waste from RRF to Landfill Facility

	\$'000
(a) DEP Levy	151
(b) Amortisation Cost	285
(c) Variable Expenses (fuel and plant hire)	50
	<u>\$486</u>

(v) note that the estimated net savings, pertaining to RRF, under (iii) and (iv) above of \$1.5million (\$1.6 million less \$0.08million – refer (x) below) will be taken into account in the calculation of 2010/11 Gate Fees

(vi) approve the increase/(decrease) in estimates of the Landfill Operations which generates a net savings of \$0.09million

	\$'000
• Depreciation	(80)
• Interest Expense	(66)
• Landfill Expenses	(210)
• Research and Planning – Stakeholder survey	80
• Insurance Costs	16
• Contract Labour	20
• Office Expenses	7
• Plant and Equipment Hire	138
• Member Costs	5
Net Savings	<u>(\$90)</u>

-
- (vii) approve the increase/(decrease) in budget allocation of the following capital projects relating to Landfill Operations and Administration which generates a savings of \$8.523million

	\$'000
• Excavation of Phase 3 Stage 2	(4,700)
• Excavation of Phase 3 Stage 2 - Earthworks	(4,200)
• Replacement of Water Truck	200
• Replacement of Servers at Administration Building	50
• Workshop Extension (approved at December 2009 OCM)	100
• New Laser Level	6
• Leak Detectors / Gas Detectors	2
• Ground Monitor	4
• Upgrade for Weighbridge	6
• Upgrade Recycling Centre Water Main	9

Net Savings \$(8,523)

- (viii) approve the net savings of \$8,523million in relation to the capital projects (refer (vii) above) be carried forward to the forward estimates to cover the future cost of Clay Lining in relation to Stage 2 Phase 3 Excavation
- (ix) approve the increase in RRF project cost by \$0.3million from \$8.8million to \$9.1million to cover the increase cost of MRC assets at RRF
- (x) approve the funding of \$0.5million relating to the additional expenditure of \$0.3million for the RRF project (as per (ix) above) and the anticipated additional project development cost of \$0.2million (as approved at March 2009 OCM) from the Liquidated Damages (\$0.42million) and Operational Expenditure savings for RRF Operations (\$0.08million)
- (xi) approve the increase in Casual Fees from \$120/tonne (incl GST) to \$128/tonne (incl GST) effective 1 April 2010

ATTACHMENT ONE
TO ITEM 5
TECHNICAL WORKING GROUP
5 FEBRUARY 2010
FINANCIAL STATEMENT AS AT 31 DECEMBER 2009

Mindarie Regional Council
INCOME STATEMENT BY NATURE AND TYPE
For the month ended 31 December 2009

Description	Adopted Budget	YTD Budget	YTD Actual	\$ Variance	% Variance	Note
Revenue form Ordinary Activities						
User Charges						
User Charges - City of Perth	1,930,400	965,202	888,428			
User Charges - City of Waneroo	7,570,900	3,785,448	3,998,813			
User Charges - City of Joondalup	7,418,100	3,709,050	3,561,640			
User Charges - City of Stirling	8,376,000	4,188,000	4,226,939			
User Charges - Town of Cambridge	1,224,000	612,000	598,969			
User Charges - Town of Vincent	1,687,800	843,900	760,863			
User Charges - Town of Victoria Park	1,728,200	864,102	745,787			
User Charges - RRF Residues	1,980,000	990,000	612,454			
Total Member User Charges	31,915,400	15,957,702	15,393,892	(563,810)	-3.53%	1
User Charges - City of South Perth	337,100	168,552	14,253	(154,299)	-91.54%	2
User Charges - Casual Tipping Fees	5,018,140	2,759,977	2,319,343	(440,634)	-15.97%	3
Total User Charges	37,270,640	18,886,231	17,727,487	(1,158,744)	-6.14%	
Service Charges						
Sale of Recyclable Materials	240,000	120,000	258,843	138,843	115.70%	
Sale of Limestone						
Gas Power Generation Sales	550,000	100,000	99,494	(506)	-0.51%	
Grants & Subsidies	320,000	320,000	360,000	40,000	12.50%	
Contributions, Reimbursements & Donations	340,100	184,302	117,906	(66,396)	-36.03%	4
Interest Earnings	369,200	184,602	231,284	46,682	25.29%	
Other Revenue	10,200	5,102	49,540	44,438	870.99%	
	39,100,140	19,800,237	18,844,554	(955,683)	-4.83%	
Expenses from Ordinary Activities						
Employee Costs	4,300,140	2,290,266	2,180,967	109,299	4.77%	
Materials and Contracts						
Consultants and Contract Labour	804,600	440,604	399,327	41,277	9.37%	
Communications and Public Consultation	722,800	352,168	170,890	181,278	51.47%	
Landfill Expenses	1,057,400	545,080	401,240	143,840	26.39%	
Office Expenses	259,500	156,338	124,808	31,530	20.17%	
Information Systems	399,300	211,400	162,926	48,474	22.93%	
Building Maintenance	129,200	75,598	52,135	23,463	31.04%	
Plant and Equipment Operating and Hire	1,027,800	656,974	650,550	6,424	0.98%	
RRF Operations	15,355,000	7,175,843	4,909,668	2,266,176	31.58%	
Waste Minimisation	316,000	191,005	237,608	(46,603)	-24.40%	
Utilities	131,300	109,152	60,349	48,803	44.71%	
Depreciation	1,159,080	579,546	517,644	61,902	10.68%	
Borrowing Cost Expenses	1,417,000	744,302	683,637	60,665	8.15%	
Insurance	127,400	127,400	139,461	(12,061)	-9.47%	5
DEP Landfill Levy	4,699,700	939,900	1,228,518	(288,618)	-30.71%	6
Land Lease/Rental	590,000	284,500	284,516	(16)	-0.01%	
Other Expenditure						
Member Costs	149,500	76,250	58,875	17,375	22.79%	
Administration	159,000	79,506	80,738	(1,232)	-1.55%	
Amortisation (LandFill)	4,054,200	2,027,100	2,265,699	(238,599)	-11.77%	7
Amortisation (RRF)	534,600	267,300	267,300	0	0.00%	
	37,393,520	17,330,232	14,876,856	2,453,376	14.16%	
Profit on Sale of Assets	27,800	6,100	0	(6,100)	-100.00%	8
Loss on Sale of Assets	28,700	10,200	5,659	4,541	44.52%	
	(900)	(4,100)	(5,659)	(10,641)	259.53%	
Changes in Net Assets Resulting from Operations	1,705,720	2,465,905	3,962,039	1,496,134	60.67%	

NOTES FOR VARIATIONS - INCOME STATEMENT BY NATURE AND TYPE

Note #	Description of Item	Nature of Variance where actual is 10% and \$5,000 from YTD Budget
1	Total Member User Charges	The drop in revenue is due to the decrease in tonnages from all the Member Councils which is mainly related to seasonal factors.
2	User Charges - City of South Perth	City of South Perth has gone for a tender and they are sending their waste to a commercial landfill.
3	User Charges - Casual Tipping Fees	The drop is mainly attributable to the increase in fees as well as seasonal factors.
4	Contributions, Reimbursements & Donations	The drop in revenue is due to the fact that Tox Free invoices are now directly sent to WALGA for payment. The hazardous waste at Mindarie Regional Council is collected by Tox Free. WALGA has government funding for this cost.
5	Insurance	The higher cost of insurance premium over the budget is due to the replacement of TANA G400 to Bomag Compactor which attracted a higher premium.
6	DEP Landfill Levy	The increased levy cost is due to higher tonnages going to Landfill Facility due to diversion of waste from RRF to Landfill Facility as a result of the repairs to the compositors.
7	Amortisation (Landfill)	The increased amortisation cost is due to higher tonnages going to Landfill Facility due to diversion of waste from RRF to Landfill Facility as a result of the repairs to the compositors.
8	Profit on Sale of Assets	The sale of Nissan Navarra (Plant42) was budgeted to generate a profit but was sold at a loss due to a lower market pricing of used vehicle in the car market industry.

Mindarie Regional Council

INCOME STATEMENT BY DEPARTMENT

For the month ended 31 December 2009

Description	Adopted Budget	YTD Budget	YTD Actual	\$ Variance	% Variance
Revenues from Ordinary Activities					
Operating Revenues					
Community Ammenties	39,100,140	19,800,237	18,844,554	(955,683)	-4.83%
Total Operating Revenues	39,100,140	19,800,237	18,844,554	(955,683)	-4.83%
Profit on Disposal of Assets					
Community Ammenties	27,800	6,100	0	(6,100)	-100.00%
Total Profit (Loss) on Disposal of Assets	27,800	6,100	0	(6,100)	-100.00%
Expenses from Ordinary Activities					
Operating Expenses					
Governance	149,500	76,250	58,875	17,375	22.79%
Community Ammenties	19,444,220	8,676,863	8,569,529	107,334	1.24%
Other Property and Sevices	1,027,800	656,974	655,148	1,826	0.28%
Resource Recovery Facility	15,355,000	7,175,843	4,909,668	2,266,176	31.58%
Total Operating Expenses	35,976,520	16,585,930	14,193,219	2,392,711	14.43%
Loss on Disposal of Assets					
Community Ammenties	28,700	10,200	5,659	4,541	44.52%
Total Profit (Loss) on Disposal of Assets	28,700	10,200	5,659	4,541	44.52%
Borrowing Costs Expense					
Community Ammenties	880,400	457,500	425,323	32,177	7.03%
Resource Recovery Facility	536,600	286,802	258,314	28,488	9.93%
Total Borrowing Costs Expense	1,417,000	744,302	683,637	60,665	8.15%
NET RESULT	1,705,720	2,465,905	3,962,039	1,496,134	60.67%

Mindarie Regional Council
Balance Sheet
For the month ended 31 December 2009

Description	ACTUAL 2009/2010	Movement	ACTUAL 2008/2009	Note
CURRENT ASSETS				
Cash	2,131,285	1,985,592	145,693	
Investments	10,381,055	(933,120)	11,314,175	
Debtors	3,199,861	1,207,050	1,992,811	
Stock	14,252	5,324	8,927	
Prepayments	195,170	(57,292)	252,462	
Other Current Assets	103,032	(536,383)	639,415	
TOTAL CURRENT ASSETS	16,024,655	1,671,171	14,353,484	
NON-CURRENT ASSETS				
Land	2,658,127	0	2,658,127	
Buildings & Improvements	1,672,113	(82,122)	1,754,235	
Furniture & Equipment	267,114	(10,419)	277,533	
Plant & Equipment	3,235,812	(326,315)	3,562,127	
Infrastructure - Other	446,360	(19,913)	466,273	
Infrastructure - Excavation	7,820,507	(2,265,699)	10,086,206	
Infrastructure - RRF	8,437,718	222,575	8,215,143	
Infrastructure - Rehabilitation	2,320,719	0	2,320,719	
Work In Progress - Excavation	12,854,756	3,244,668	9,610,088	
Work In Progress - Other	8,162	8,162	0	
Other Non Current Assets	2,040,698	(52,302)	2,093,000	
TOTAL NON-CURRENT ASSETS	41,762,086	718,635	41,043,451	
TOTAL ASSETS	57,786,741	2,389,806	55,396,935	
CURRENT LIABILITIES				
Creditors	1,330,075	(499,606)	1,829,681	
Provisions	528,370	39,744	488,626	
Loans Leases Overdrafts	1,219,076	(1,213,649)	2,432,725	
Accruals	1,607,557	(17,071)	1,624,629	
Other Current Liabilities	0	0	0	
TOTAL CURRENT LIABILITIES	4,685,078	(1,690,583)	6,375,661	
NON CURRENT LIABILITIES				
Loans Leases Overdrafts	19,501,151	0	19,501,151	
Other Non Current Liabilities	4,948,639	26,531	4,922,108	
TOTAL NON CURRENT LIABILITIES	24,449,790	26,531	24,423,259	
TOTAL LIABILITIES	29,134,868	(1,664,053)	30,798,920	
NET ASSETS	28,651,873	4,053,859	24,598,015	
EQUITY				
Retained Surplus	26,277,143	3,962,039	22,315,104	
Reserves	137,999	0	137,999	
Council Contribution	2,236,731	91,820	2,144,911	
TOTAL EQUITY	28,651,873	4,053,859	24,598,015	

INFORMATION ON BORROWINGS

(a) Loan Schedule and Interest Expense

Actual

	Value of Loan Approved	Matures	Interest Rates	Principal 01/07/2009	Principal Drawn Down to 31/12/2009	Principal Repayments		Interest Repayments	Note
						Actual to 31/12/2009	Actual to 31/12/2009		
Community Amenities									
Tamala Park Landfill									
Loan 8 - Building Upgrade	650,000	May-14	6.45%	376,435	0	32,307	344,128	11,801	2
Loan 12 - Construction Stage 2 Phase 2	15,000,000	Mar-12	5.98%	11,249,969	0	833,340	10,416,628	325,731	3
Loan 13 - Redraw for Phase 3 Landfill	6,600,000			0	0	0	0	0	
Loan 14 - New Landfill Purchase	12,000,000			0	0	0	0	0	
Regional Resource Recovery Facility									
Loan 11 - RRF Land Purchase	3,500,000	May-25	5.97%	1,940,815	0	91,820	1,848,995	56,957	2
Loan 10a - RRF Infrastructure	2,000,000	Mar-25	6.16%	1,766,658	0	33,960	1,732,698	54,215	2
Loan 10b - RRF Infrastructure (Interest Only)	2,600,000		Variable	2,600,000	0	0	2,600,000	48,983	1
Loan 10c - RRF Infrastructure	4,000,000	Jun-14	7.97%	4,000,000	0	222,222	3,777,778	155,115	
TOTAL	46,350,000			21,933,877	0	1,213,649	20,720,227	652,803	
						Facility Fee		30,833	
						Total Borrowing Costs		683,637	

Note 1: Loan 10b - \$2,600,000 has a variable rate of 4.51% for the month of December 2009.

Note 2: Total Loan Interest accrued for December 2009 = \$37,264.35

Note 3: Principal payments are made quarterly.

ATTACHMENT TWO
TO ITEM 5
TECHNICAL WORKING GROUP
5 FEBRUARY 2010
SUMMARY OF THE CAPITAL EXPENDITURE
AS AT 31 DECEMBER 2009

MINDARIE REGIONAL COUNCIL
STATEMENT OF INVESTING ACTIVITIES
For the month ended 31 December 2009

Description	Adopted Budget	Revised Budget	YTD Actual	% to Revised Budget
PLANT, VEHICLES AND MACHINERIES				
Plant and Vehicles				
Replacement of Operation's Foreman Vehicle	38,500	38,500	35,100	91.17%
Replacement of Operation's Manager Vehicle	47,900	47,900	0	
Replacement of Fire Vehicle	45,500	45,500	0	
Replacement of Executive Vehicle	51,000	51,000	0	
Replacement of Executive Vehicle	50,000	50,000	0	
Replacement of Skid Steer Loader No.2	85,000	85,000	0	
Replace 2x 30m3 Transfer Bins	27,000	27,000	22,560	83.56%
Replacement of Workshop Vehicle	29,500	29,500	0	
Vehicle Tray - Welder's Vehicle	7,000	7,000	0	
New Utility Vehicle-Marketing and Education	44,000	44,000	0	
	425,400	425,400	57,660	13.55%
Machinery and Equipment				
New Tarpomatic System	240,000	240,000	0	
New LGF Monitoring System	20,000	20,000	0	
New Paint Can Crusher	30,000	30,000	0	
Upgrade Recycling Centre Cameras	7,000	7,000	6,480	92.57%
	297,000	297,000	6,480	2.18%
TOTAL PLANT, VEHICLES AND MACHINERIES	722,400	722,400	64,140	8.88%
FURNITURE AND EQUIPMENT				
Computer Equipment				
Replacement of Laptop (Operations Manager)	3,500	3,500	0	
Replacement of Desktop PC (Finance Officer-Reporting)	1,500	1,500	785	
Replacement of Desktop PC (Foreman)	1,500	1,500	864	57.59%
Replacement of Desktop PC (Environmental Officer)	1,500	1,500	785	52.34%
Replacement of Laptop (Administration Manager)	2,500	2,500	2,149	85.96%
Replacement of Laptop (Waste Education Officer)	2,500	2,500	2,149	85.96%
Various Replacement Printers and Computing Equipments	15,000	15,000	7,862	52.41%
New Desktop PC (Finance Officer-Accts Payable)	1,500	1,500	0	
Additional UPS System (Admin and Recycling)	2,000	2,000	0	
	31,500	31,500	14,594	46.33%
Office Furniture and Equipment				
Replacement of Furniture and Equipment	26,400	26,400	13,332	50.50%
Purchase of New Office Equipment	13,000	13,000	3,899	29.99%
3x Storage Cabinets	5,000	5,000	2,771	55.42%
	44,400	44,400	20,002	45.05%
TOTAL FURNITURE AND EQUIPMENT	75,900	75,900	34,596	45.58%

MINDARIE REGIONAL COUNCIL
STATEMENT OF INVESTING ACTIVITIES
For the month ended 31 December 2009

Description	Adopted Budget	Revised Budget	YTD Actual	% to Revised Budget
LAND AND BUILDINGS				
Land				
<i>brought forward item:</i>				
Land Purchase (New Landfill Site)	12,000,000	12,000,000	0	
	12,000,000	12,000,000	0	0.00%
Buildings				
Workshop Extension (Work in Progress)	250,000	350,000	0	
Ground Maintenance Shed	10,000	10,000	0	
Chemical Toilet Facilities	15,000	15,000	0	
	275,000	375,000	0	0.00%
TOTAL LAND AND BUILDINGS	12,275,000	12,375,000	0	0.00%
INFRASTRUCTURE				
Operations				
Litter Control Fences (Work in Progress)	75,000	75,000	8,162	10.88%
Reticulation	7,000	7,000	0	
Upgrade Recycling Centre Water Main	10,000	10,000	0	
<i>brought forward item:</i>				
Surveillance and Boom Gate	15,000	15,000	13,780	91.87%
	107,000	107,000	21,942	20.51%
Resource Recovery Facility				
Site Infrastructure	829,000	829,000	437,573	52.78%
	829,000	829,000	437,573	52.78%
TOTAL INFRASTRUCTURE	936,000	936,000	459,516	49.09%
LANDFILL EXCAVATIONS				
Excavation - Phase3 Stage2				
Construction	8,208,700	8,208,700	0	
Design	300,000	300,000	87,266	
Excavation/Earthworks	7,720,000	7,720,000	3,145,887	
MRC Project Manager	40,000	40,000	4,625	
Siteworks, Survey, Etc.	20,000	20,000	6,890	
TOTAL LANDFILL EXCAVATIONS	16,288,700	16,288,700	3,244,668	19.92%

ATTACHMENT THREE
TO ITEM 5
TECHNICAL WORKING GROUP
5 FEBRUARY 2010
COMPARISION GATE FEES

COMPARISON OF GATE FEES (incl GST) FOR 2009/10 – CASUALS

Rockingham (Landfill)	\$98.60
Eastern Metropolitan Regional Council (EMRC)	\$99.50
Balcatta Transfer Station (Facility)	\$129
MRC	\$120

**ITEM 6 ENVIRO 2010 CONFERENCE AND EXHIBITION - SOLUTIONS FOR
A SUSTAINABLE FUTURE**

File No: **COR/33 (D/10/593)**

Attachment(s): **Nil**

Author: **Kathleen van Son**

SUMMARY

The purpose of this Item is to provide Council with information on the Enviro 2010 conference in Melbourne from 21 to 23 July 2010.

BACKGROUND

The Enviro Conference and Exhibition is the premier national assembly of Australian environment and industry stakeholders. To be held in Melbourne from 21 to 23 July 2010. The Enviro 2010 Conference and Exhibition will be presented by 'Enviro Conventions' – a joint venture between the Australian Water Association and the Waste Management Association of Australia.

The primary objective of Enviro 2010 is to assemble the leaders of the Australian environment industry, business and policy makers to facilitate cross-fertilisation and networking opportunities. The breadth and diversity of contributors is expected to cover all aspects of sustainability.

The Enviro Conference will be a collection of keynote addresses and workshops dealing with sustainability issues faced by governments, business and the public.

The conference will be run concurrently with the Enviro 2010 Exhibition where more than 100 exhibitors will display the latest in environmental and sustainability innovation.

Since its inauguration in Sydney in 2000, Enviro has grown in both eminence and participation. This year we anticipate 1.000 visitors over the three days.

DETAIL

The conference subject matter for Enviro 2010 can be summarised as follows:

- Implementing Change
- Sustainable Resource Management
- Responding to Climate Change
- Developing Sustainable Infrastructure
- Sustainable Procurement and Supply Chains
- Sustainable Cities
- Innovation and New Technologies

CONSULTATION

Not applicable

STATUTORY ENVIRONMENT

Not applicable

POLICY IMPLICATIONS

MRC Policy in relation to conference attendance has been on the basis of demand for information and to obtain useful information in the development of Council business.

MRC Policy 4A Conference Attendance criteria states that:

- attendance at any particular conference, either within WA, interstate or international, should be based on Council's demand for information, derived from a consideration of recent conference attendances by Council members, the needs of the Council, and the relative experience of the Council at any particular time
- the satisfaction of this demand for information should then be compared to the supply of information from any particular conference, based on conference theme, proposed content, nature of speakers, additional opportunities e.g. site visits, and the opportunities for networking
- final consideration of attendees, and in addition to this supply versus demand comparison, should be based on logistics considerations i.e. location, cost, timing
- a participant Council officer, who is a member of one of the Council Committees, may attend a conference on behalf of an approved elected member, if required

Authorisation and responsibility for attendance at conferences, seminars or conventions, both within the state and interstate or overseas, is as follows:

- authorisation for attendance of the Chief Executive Officer and any Councillors at any event is the responsibility of the Council
- authorisation of attendance of the CEO at any event is the responsibility of the Chairman
- authorisation for attendance by staff at events within the State is the responsibility of the Chief Executive Officer

STRATEGIC IMPLICATIONS

Conference attendance provides representatives with additional information that is relevant in the development of the Council's Strategic Plan.

FINANCIAL IMPLICATIONS

Budget provision will be made available for the Enviro 2010 Conference in the 2010/2011 annual budget.

COMMENT

Representatives of Member Councils, both elected members and officers, should now consider whether they wish to attend this event, and advise MRC by 12 March 2010.

TECHNICAL WORKING GROUP – 5 FEBRUARY 2010

Nil discussion

MRC & TWG OFFICERS RECOMMENDATION

That Council:

- (i) note the detail involved with Enviro 2010**
- (ii) endorse the process for submission of nominations for attendance by 12 March 2010**
- (iii) consider the matter of attendees at its April 2010 Ordinary Council Meeting**