



# MINUTES

ORDINARY COUNCIL MEETING

TIME: 5.30PM

THURSDAY 23 APRIL 2009

VENUE – TOWN OF CAMBRIDGE

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*Managing waste and recovering resources responsibly*

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



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**MINDARIE REGIONAL COUNCIL**

**NOTICE OF MEETING**

17 April 2009

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 Town of Cambridge, 1 Bold Park Drive, Floreat, at 5.30pm on Thursday 23 April, 2009.

The business papers pertaining to the meeting follow.

Your attendance is requested.



**KEVIN POYNTON**  
Chief Executive Officer

**MINDARIE REGIONAL COUNCIL - MEMBERSHIP**

Cr R M Willox AM JP (Rod)	City of Stirling
Cr J Bissett (John)	Town of Victoria Park
Cr R Butler (Rob)	City of Perth
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 R Sebrechts (Ron)	City of Stirling
Cr P Rose JP (Peter)	City of Stirling
Cr K Thomas (Kathryn)	City of Stirling



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<b>1 OATHS/AFFIRMATIONS OF ALLEGIANCE AND DECLARATIONS OF OFFICE</b>
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Nil.

<b>2 QUESTION TIME</b>
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Nil.

<b>3 ATTENDANCE AND APOLOGIES</b>
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Refer Page 3.

<b>4 MINUTES</b>
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<b>4.1 ORDINARY COUNCIL MEETING – 5 MARCH 2009</b>
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**Motion: (Moved: Cr Rose Seconded: Cr Thomas)**

The Minutes of the Ordinary Council Meeting held on 5 March 2009 have been printed and circulated to members of the Council.

Council noted the comment from Cr Fishwick that the Minutes, at Item 8.2.4, did not appropriately record the event associated with dealing with each item separately.

The CEO was requested to ensure that, in future, proper recording, in accordance with the legislation, was conducted.

**RECOMMENDATION**

**That the Minutes of the Ordinary Council Meeting of Council held on 5 March 2009 be taken as read, confirmed and the Chairman invited to sign same as a true record of the proceedings.**

*(Carried: 10/0)*

<b>5 ANNOUNCEMENTS</b>
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Cr Sebrechts arrived at 5.35pm.

The Chairman welcomed Mr John Phillips, from WALGA.

The Chairman also advised the meeting that the disposal of waste to the Resource Recovery Facility (RRF) had commenced.

<b>6 DEPUTATIONS</b>
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Nil.

<b>7 BUSINESS FROM A PREVIOUS MEETING TREATED AS AN ORDER OF THE DAY</b>
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Nil.

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<b>8      REPORTS</b>
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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 5.60(A) (B) and 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.*

**Councillor Rose declared a financial interest in Item 8.2.4.**

<b>8.1      TECHNICAL WORKING GROUP – 9 APRIL 2009</b>
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**8.1.1 Tech Com. Item 1**

**SUBJECT:      BUSINESS REPORT (MARCH 2009)**

**Motion: (Moved: Cr Newton      Seconded: Cr Butler)**

**RECOMMENDATION**

That Council:

- (i) receives this progress report against Annual Business Plan for information
- (ii) approves the plan for Budget formulation as follows:
  - a) *Management Workshop to finalise the new initiatives and the Business Plan for 2009/10* - 20 April 2009
  - b) *Special Council Meeting for approval of Business Plan and Gate Fees for 2009/10* - Mid May 2009 (14 or 15 May)
  - c) *Detailed Budget Preparation for 2009/10* - 15 to 31 May 2009
  - d) *Workshop for Councillors* - 15 or 22 June 2009
  - e) *Council Meeting for approval of Budgets* - 2 July 2009

The CEO provided further information on activities and costs associated with procurement of a compactor, in response to a question.

Council noted the amended date for next Ordinary Council Meeting from 2 July 2009 to 9 July 2009.

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## RECOMMENDATION

That Council:

- (i) receives this progress report against Annual Business Plan for information
- (ii) approves the plan for Budget formulation as follows:
  - a) *Management Workshop to finalise the new initiatives and the Business Plan for 2009/10* - 20 April 2009
  - b) *Special Council Meeting for approval of Business Plan and Gate Fees for 2009/10* - Mid May 2009  
(14 or 15 May)
  - c) *Detailed Budget Preparation for 2009/10* - 15 to 31 May 2009
  - d) *Workshop for Councillors* - 15 or 22 June 2009
  - e) *Council Meeting for approval of Budgets* - 9 July 2009

(Carried: 11/0)

### 8.1.2 Tech Com. Item 2

**SUBJECT: RESOURCE RECOVERY FACILITY PROJECT PROGRESS REPORT**

**Motion: (Moved: Cr Gray Seconded: Cr Hollywood)**

Nil Discussion.

## RECOMMENDATION

That Council receive this Progress Report dated 23 April 2009 on the project to establish a Resource Recovery Facility in the Mindarie region.

(Carried: 11/0)

Cr Bissett arrived 5.45pm.

### 8.1.3 Tech Com. Item 3

**SUBJECT: LANDFILL UPDATE REPORT**

**Motion: (Moved: Cr Rose Seconded: Cr Butler)**

The Council tasked the CEO with administrative action, associated with lease-related buffer issues, as follows:

- liaison with CEO Tamala Park Regional Council in order to establish options for the management of this issue
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- 
- subsequent liaison with the seven landowner councils, in order to establish an agreed 'way ahead' and solution to this matter of buffer management

**RECOMMENDATION**

**That Council receive this Landfill Update Report dated 23 April 2009.**

*(Carried: 12/0)*

**8.1.4 Tech Com. Item 4**

**SUBJECT: CARBON TRADING - UPDATE**

**Motion: (Moved: Cr Sebrechts    Seconded: Cr Thomas)**

Nil discussion.

**RECOMMENDATION**

**That Council:**

- (i) **receive this Carbon Trading Update report dated 23 April 2009**
- (ii) **note the plan to provide quantitative analysis of the potential financial impact of the CPRS to the July Ordinary Council Meeting**

*(Carried: 12/0)*

**8.1.5 Tech Com. Item 5**

**SUBJECT: STRATEGIC WASTE MANAGEMENT REPORT – FUNDED PROJECTS  
– ADDITIONAL PROJECT INFORMATION**

**Motion: (Moved: Cr Sebrechts    Seconded: Cr Thomas)**

Nil discussion.

**RECOMMENDATION**

**That Council:**

- (i) **note the additional information provided on the seven funded projects approved by Council as part of Agenda Item 8.2.5 at the Ordinary Council Meeting of 5 March 2009**
- (ii) **note the plan to present regular progress reports in the CEO Business Report**

*(Carried: 12/0)*

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<b>8.2 CHIEF EXECUTIVE OFFICER</b>
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**8.2.1**

**File No: FIN/5-02**

**SUBJECT: FINANCIAL STATEMENTS FOR THE PERIODS ENDED 31 JANUARY 2009 AND 28 FEBRUARY 2009**

**Motion: (Moved: Cr Rose Seconded: Cr Farrell)**

Mr Dhillon briefed the Council on the overall health of the Council's financial situation.

**RECOMMENDATION**

**That the Financial Statements as attached at Attachment One and Two for the months ended 31 January 2009 and 28 February 2009 be noted.**

*(Carried: 12/0)*

**8.2.2**

**File No: FIN/05-02**

**SUBJECT: LIST OF PAYMENTS MADE FOR THE MONTHS ENDED 31 JANUARY 2009 AND 28 FEBRUARY 2009**

**Motion: (Moved: Cr Gray Seconded: Cr MacRae)**

Nil discussion.

**RECOMMENDATION**

**That Council endorse the list of payments made, as per the delegation made to the Chief Executive Officer, for the months ended 31 January 2009 and 28 February 2009.**

*(Carried: 12/0)*

**8.2.3**

**File No: COR/22**

**SUBJECT: AUDIT COMMITTEE MEETING – 9 APRIL 2009**

**Motion: (Moved: Cr Fishwick Seconded: Cr Farrell)**

Cr Fishwick commented on the overall satisfactory nature of the compliance audit, and the associated action plan. Cr Fishwick also noted the excellent standard of the financial audit plan.

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**RECOMMENDATION**

**That Council approve the following recommendations from the Audit Committee Meeting (9 April 2009):**

- (i) the approval of the Annual Compliance Audit Return and authorise the Chairperson and the Chief Executive Officer to sign the Return**
- (ii) approve the adoption of a three year comparison of Compliance for the 2009 Annual Compliance Audit Return**
- (iii) note the 2008/09 Audit Plan and Approach presented by the Auditors, WHK Howarth**

*(Carried: 12/0)*

**8.2.4**

**File No: WST/101**

**SUBJECT: TOWN OF CAMBRIDGE REQUEST FOR EXEMPTION**

**Motion: (Moved: Cr Butler Seconded: Cr Farrell)**

**RECOMMENDATION**

That Council:

- (i) note the Town of Cambridge request
- (ii) authorise the investigation of Option Five – inter – regional council agreements for the processing of waste
- (iii) authorise the investigation of Option Six – an improved model for the management of exemptions
- (iv) require further consideration of the Town of Cambridge request in August 2009, following completion of these investigations

Cr Rose departed the meeting 6.15pm.

**AMENDMENT TO MOTION**

**Motion: (Moved: Cr MacRae Seconded: Cr Butler)**

**New (iv)**

**(That Council)**

- (iv) conduct a review, and potential revision, to the Mindarie Regional Council fee structure in order to demonstrate a level of comparable pricing to other providers, thereby removing the attractiveness to 'go elsewhere'

*(Carried: 11/0)*

A procedural motion proposed by Cr Bissett, that the amended recommendation be voted on in two parts i.e. (i) – (iv) and (v) was carried.

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AMENDED MOTION (parts (i) – (iv)) WAS PUT TO THE VOTE

(That Council)

- (i) note the Town of Cambridge request
- (ii) authorise the investigation of Option Five – inter – regional council agreements for the processing of waste
- (iii) authorise the investigation of Option Six – an improved model for the management of exemptions
- (iv) conduct a review, and potential revision, to the Mindarie Regional Council fee structure in order to demonstrate a level of comparable pricing to other providers, thereby removing the attractiveness to ‘go elsewhere’

(Carried: 10/1)

(Cr Farrell recorded a voting AGAINST this part of the amended motion)

AMENDED MOTION (part (v)) WAS PUT TO THE VOTE

(That Council)

- (v) require further consideration of the Town of Cambridge request in August 2009, following completion of these investigations.

(Carried: 6/5)

**AMENDED MOTION CARRIED AS FOLLOWS:**

**That Council:**

- (i) note the Town of Cambridge request**
- (ii) authorise the investigation of Option Five – inter – regional council agreements for the processing of waste**
- (iii) authorise the investigation of Option Six – an improved model for the management of exemptions**
- (iv) conduct a review, and potential revision, to the Mindarie Regional Council fee structure in order to demonstrate a level of comparable pricing to other providers, thereby removing the attractiveness to ‘go elsewhere’**
- (v) require further consideration of the Town of Cambridge request in August 2009, following completion of these investigations**

Cr Rose returned to meeting at 6.35pm

Closure of meeting to the Public.

**Motion: (Moved: Cr Butler Seconded: Cr Hollywood)**

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

(Carried: 12/0)

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The CEO and all others, except Councillors and Mr Phillips, departed the meeting at 6.40pm.

**8.2.5 – CONFIDENTIAL ITEM**

**File No: PER/11**

**SUBJECT: PERFORMANCE REVIEW – CHIEF EXECUTIVE OFFICER**

**Motion: (Moved: Cr MacRae      Seconded: Cr Butler)**

**RECOMMENDATION 1**

**That Council:**

- 1.1      ADOPTS the 2009 Annual Performance Review Report**
- 1.2      ENDORSES the overall rating of “Meets performance criteria and associated Performance Indicators at a highly satisfactory level”**
- 1.3      ENDORSES a review of the performance criteria and Performance Indicators for the April 2010 review, to be completed by the June 2009 Council meeting**
- 1.4      AGREES to conduct the next annual performance review by June 2010, and the rescheduling of all future appraisals to a June timeline**

*(Carried: 12/0)*

**Motion: (Moved: Cr Rose      Seconded: Cr Gray)**

**RECOMMENDATION 2**

**That:**

- 2.1      The Chief Executive Officer’s remuneration package be increased to \$178,121 (overall 5.8%), effective from 26 January 2009**
- 2.2      The next review of remuneration be completed by end June 2010, in accordance with the contract of employment between the Mindarie Regional Council and Mr Poynton**

*(Carried: 12/0)*

**Motion: (Moved: Cr Butler      Seconded: Cr Thomas)**

**RECOMMENDATION 3**

**That:**

- 3.1      Mr Kevin Poynton be offered a new contract of employment as the Chief Executive Officer of the Mindarie Regional Council for a three year term from 27 January 2010 to 26 January 2013**

*(Carried: 12/0)*

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Meeting open to the Public.

**Motion: (Moved: Cr Rose Seconded: Cr Sebrechts)**

**That the meeting now be opened to the public.**

*(Carried: 12/0)*

Council came from behind closed doors and items read into the minutes at 7.22pm.

The CEO returned to the meeting.

<b>9 NOTICE OF MOTION FOR CONSIDERATION AT THE FOLLOWING MEETING</b>
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Nil.

<b>10 GENERAL BUSINESS - SEE NOTE (1)</b>
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Nil.

<b>11 NEXT MEETING</b>
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**11.1 Ordinary Council Meeting**

- 9 July 2009
- 5.30pm
- City of Stirling
- 

<b>12 CLOSURE - MEETING DECLARED CLOSED 7.30PM</b>
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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.

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## MINUTES

### TECHNICAL WORKING GROUP

THURSDAY - 9 APRIL 2009

MEETING TIME: 8.30AM

VENUE – TOWN OF CAMBRIDGE

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



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

3 April 2009

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, Thursday 9 April 2009 commencing at 8.30am.

**PLEASE BE ADVISED THAT A BREAKFAST WILL BE SERVED AT 8.00AM AND WESSG MEMBERS WILL BE ATTENDING.**

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
	D Blair	Director Infrastructure	Wanneroo
	C Colyer	Director Infrastructure	Cambridge
	K Dhillon	Finance & Business Services Manager	Mindarie
	G Dunne	Director of Service Units	Perth
	R Elliott	Manager Waste Services	Wanneroo
	G Eves	Director Infrastructure Management	Stirling
	M Glover	Director Infrastructure Services	Joondalup
	E Herne	Director Corp Resource Management	Stirling
	R Lotznicker	Director Technical Services	Vincent
	P Hoar	Coordinator Waste Mgt	Joondalup
	A Vuleta	Director Technical Services	Vic Park
	M Tolson	Operations Manager	Mindarie
	I Watkins	Projects Manager	Mindarie

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**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 THURSDAY 9 APRIL 2009 AT 8.30AM.**

**PRESENT:** K Poynton Chairman

<b>Members Messrs</b>	Ed Albrecht	Operations Manager	Stirling
	Chris Colyer	Director Infrastructure	Cambridge
	Kalwant Dhillon	Finance & Business Sves Mgr	Mindarie
	Garry Dunne	Director of Service Units	Perth
	Peter Hoar	Coordinator Waste Mgt	Joondalup
	Jane Pritchard	Mgr Infrastructure Mgt Sves	Joondalup
	Anthony Vuleta	Director Technical Services	Vic Park
	Mike Tolson	Operations Manager	Mindarie
	Ian Watkins	Project Manager	Mindarie

**VISITORS** Nil

**APOLOGIES** R Elliott

**CONFIRMATION OF MINUTES**

Not applicable

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**MINUTES**  
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**ITEM 1 BUSINESS REPORT (MARCH 2009)**

**File No:** COR/8

**Attachment(s):** 1. Education Report

**Author:** Kevin Poynton

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**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 April 2007, resolved, inter alia, to approve the Annual Business Plan 2008/2009. This Business Plan has been derived from the Strategic Plan for the Mindarie Regional Council. The timeframe for that Strategic Plan was 2004/2009. This business report is now presented in a format consistent with the structure of the approved Annual Business Plan. *This report contains both historical information and current update with the current updates in 'bold italics'.*

**DETAIL**

**OBJECTIVE ONE – RESOURCE MANAGEMENT**

This objective contains a number of discrete strategies, and information is provided on each of these strategies.

**Development and Implementation of Resource Management Programs**

The progress of landfill operations is presented in quantitative format in the table below.

**Information related to landfill activity to end February 2009:**

Members	Tonnage			Revenue		
	Actual	Budget	Percentage	Actual G/L	Budget	Percentage
Cambridge	6,991	13,165	53.10%	\$378,120	\$710,900	53.19%
Joondalup	43,381	66,300	65.43%	\$2,344,632	\$3,580,200	65.49%
Perth	9,754	18,219	53.54%	\$526,693	\$983,800	53.54%
Stirling	62,135	82,700	75.13%	\$3,355,732	\$4,465,800	75.14%
COS-Bales	15,118	22,000	68.72%	\$327,498	\$476,500	68.73%
Victoria Park	8,784	14,485	60.64%	\$474,884	\$782,200	60.71%
Vincent	9,538	14,062	67.83%	\$515,798	\$759,300	67.93%
Wanneroo	46,154	75,125	61.44%	\$2,493,743	\$4,056,800	61.47%
Wanneroo MRF	11,868	3,700	320.76%	\$263,754	\$80,100	329.28%
<b>Sub total Members</b>	<b>213,722</b>	<b>309,756</b>	<b>69.00%</b>	<b>\$10,680,854</b>	<b>\$15,895,600</b>	<b>67.19%</b>
<b>Casuals</b>						
South Perth	8,532	3,075	277.47%	\$775,692	\$279,500	277.53%
Casual	33,198	40,000	83.00%	\$2,998,808	\$3,636,400	82.47%
Sub Total Casuals	41,731	43,075	96.88%	\$3,774,500	\$3,915,900	96.39%
<b>TOTAL</b>	<b>255,453</b>	<b>352,831</b>	<b>72.40%</b>	<b>\$14,455,354</b>	<b>\$19,811,500</b>	<b>72.96%</b>
<b>Other Not incl above</b>						
<b>Recycling Centre</b>				<b>\$185,715</b>	<b>\$350,000</b>	<b>53.06%</b>
<b>Cover</b>	<b>0</b>					
<b>% Year to Date</b>	<b>0%</b>					

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**Current information in relation to landfill activities is as follows:**

- JJ MacDonald have completed lining of this area of landfill and Department of Environment & Conservation (DEC) has approved it in line with the conditions of the licence. Mindarie Regional Council has commenced filling this landfill.
- JJ MacDonald have advised the Council's landfill consultant, Cardno BSD, of an intention to continue dispute resolution action re a dispute over quantities of liner material.
- The situation with regard to this dispute with JJ MacDonald is that a significant difference of position exists between JJ MacDonald and Cardno BSD Meinhardt (JV) on the validity of a claim for additional payments
- The matter has progressed to the point where the administration has now received advice from JJ MacDonald that mediation is now to be initiated
- The administration has enlisted the legal support of Mr John Woodhouse to develop options for resolution of this dispute. Some initial advice has been provided by Mr Peter Doherty QC, in conjunction with Mr Woodhouse. This advice, whilst providing some comment, also described some further questions. CEO Mindarie Regional Council has initiated the provision of answers to these questions, in order to ensure that any final legal advice is comprehensive
- ***The final legal report from legal advisors has now been received by the administration. A process of discussion with JJ MacDonald has been initiated. The detail of the legal advice, and outcomes of JJ MacDonald discussion, will be presented to Council in July 2009***

**Limestone Disposal Update**

Excavation of the Phase 3 footprint is progressing well. There have been significant quantities of limestone removed off the future cell development area during the first part of this financial year. An estimated 930,000 tonnes (as at 31 January 2009) since excavation commenced has been removed, with part of the material being trucked off site, some being used on the landfill as daily cover, some being stockpiled for future use on the landfill and all sand being encountered is stored on site for future capping activities.

In addition to the removal of limestone from the Phase 3 footprint, Stoneridge and BGC continue to manufacture limestone blocks from material in the southern stockpile.

This utilisation of excavated material, via off site usage, cover, stockpile and block making, has continued during October and November 2008.

**Recycling**

All paints are now moved off site with funding provided by the Department of Environment (DOE). The current Paintback program has ceased because of the inability of Dulux to process the material. Negotiations are continuing with other potential paint processors.

A partnership-oriented contract with Amcor has been commenced, and this involves the collection and packaging at Tamala Park, of paper and cardboard, and the further processing of material by Amcor. In summary, Amcor has provided a compactor to Tamala Park, and will collect baled material. Advantages to Mindarie Regional Council include reduced costs (elimination of transport requirements) and increased revenue (increased volume of product). This contract is now in place.

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The Council continues to conduct successful asbestos 'drop off days' each month. These activities are resulting in collection of significant amounts of asbestos from householders, thereby eliminating this material from the domestic waste stream.

A project to provide a suite of regional 'drop off days' for Household Hazardous Waste is 'in planning' with implementation scheduled to commence later in 2008. Funding to be provided by State Government.

The impact of the global economic crisis on local recycling industry has resulted in the on-site retention of limited quantity of metal, upon request from the Mindarie Regional Council contractor.

***Discussion with contractors are continuing, in order to confirm ongoing arrangements on this matter.***

### **Master Plan for Tamala Park**

The finalisation of the revised lease for Tamala Park will enable the progress of a Master Plan for the site. This activity will be initiated in 2009/10, following confirmation of the Tamala Park role in any regional plan.

### **Gas Management**

The current situation with regard to activities with Landfill Gas and Power (LFGP) is as follows:

- operations are producing 4.7 mega watts
- drilling of wells in Stage Two Phase Two was completed in April 2007 and is now producing gas
- LFGP have ceased discussions on contract issues. These issues have related to potential contract variations to enable a greater income stream to LFGP

A project to establish 'way ahead' with respect to a review, and potential revision, of the management of landfill gas is 'in planning'. This work is with due respect to climate change/carbon management issues.

### **Groundwater Management**

The current situation as at 1 June 2008 with regard to Groundwater Management activities is as follows:

- Annual Report 2007 has been received and forwarded to Department Environment & Conservation
- Final report following groundwater modelling exercise has been received. Resources required to support recommendations will be included in Budget 2008/2009
- Groundwater data collection plan for 2008 is in progress

The key task for execution within context of CSIRO report associated with groundwater modelling exercise is a Desktop Study to investigate drop in 'up-gradient' water table level (\$10k).

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Other groundwater – related tasks for 2008/2009 are:

- Leachate plume irrigation response plan (\$10k)
- Completion of ECOMAX upgrade (\$7k)
- ECOMAX monitoring program (\$3k)

### **Resource Recovery Facility**

Progress against a project to establish a Resource Recovery Facility is contained in a separate report within this agenda.

### **Regional Waste Management Plan**

The development of a revised Regional Waste Management Plan has been completed and implementation has commenced.

### **Community Communication Activities**

The administration has commenced a project to promote the completion of the 'Conditions Satisfaction' exercise, in relation to the Resource Recovery Facility. This has involved the distribution of a 'Resource Recovery Facility Focussed' Mindarie Regional Council News to all householders in the region. An audio CD has been produced and distributed. Corporate Function 2008 has been conducted.

Following Council approval to a revised branding model at its October meeting, the administration has continued work with Linc Communications on the development of a plan for transition to this new model. This has been a progressive exercise over the period December 2007 – April 2008.

The 2007 Annual Report has been issued. A new corporate video program is currently being produced, at a cost of approximately \$10k.

Additional communications activities progressed during the reporting period are as follows:

- Stakeholder Survey  
This is a project to determine views of stakeholders re the Mindarie Regional Council business. An item was included in the Ordinary Council Meeting Agenda for March 2009. **Action against the recommendation has commenced**
- Marketing Plan  
This is a project to combine all communication, education, branding and sponsorship activities. The project has proceeded to 'issue of draft plan' milestone. Further discussion between the administration and Linc Communications has occurred. **Preparation of a plan for Council consideration in July 2009 is continuing**

### **Education**

The Waste Education Strategy Steering Group (WESSG) continues to conduct excellent work. Recent initiatives have been as follows:

- 
- The development and publishment of regular community advertisements on RRF progress
  - The continuation of the Earthcarers programme
  - The progress of a 'region-wide' fridge magnet project
  - The progress of dissemination of the revised Mindarie Regional Council branding material
  - The expansion of the Tamala Park/Balcatta tours program
  - The development of the education centre at Tamala Park
  - Progress of the recruitment of an Education Officer

Agreed projects for at least February – June 2009 are as follows:

- Earthcarers program
- HHW management
- Waste Wise events
- RRF promotion
- Member Council joint projects e.g. Garden Week, Tours, Mobile Display usage

***A report on projects associated with the Waste Education Programme is at Attachment One to this Item. A joint TWGIWESSG meeting is planned for April 2009.***

#### OBJECTIVE TWO – RESOURCE BUSINESS CREATION

This activity includes strategies to investigate the business opportunities associated with new products, expanded resource recovery capabilities and landfill beyond Tamala.

Some work has occurred within the Forum of Regional Councils (FORC) on disposal of RRF residue options.

MWAC is progressing a suggestion from Mindarie Regional Council for the establishment of a local government wide contract for e-waste disposal.

#### OBJECTIVE THREE – INDUSTRY LEADERSHIP

Strategies related to this objective include the following:

- Participation in defined external industry related forms
- Research of contemporary practice for future waste and resource industry development
- Develop integrated initiatives to capitalise on these future options
- Strengthen partnerships with government industry and academic institutions

Work undertaken during the reporting period against this objective has been as follows:

- Continued participation by elected members and Chief Executive Officer in MWAC
- Continued participation by Chief Executive Officer in the Waste Management Association of Australia

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**Key points from the MWAC meeting in February 2009 were as follows:**

- **Endorsement to submission from MWAC to State Government re State Waste.**
- **Endorsement of submission on environmental guidelines for organic waste recycling facilities**

**The Forum of Regional Councils (FORC) has not met since 29 January 2009.**

#### OBJECTIVE FOUR – ORGANISATIONAL MANAGEMENT

Strategies associated with this objective are as follows:

- Finalise Establishment Agreement
- Maintain and improve existing contemporary Business Systems
- Strengthen Member Council partnerships and relations
- Review and, where appropriate, revise funding strategies for the business
- Develop the Information Management Systems for the business eg. Records, website

#### **Establishment Agreement**

**The matter of the Establishment Agreement will be the subject of further work in May 2009.**

**This work will include an additional workshop in April – May 2009, prefaced by further analytical work, potentially involving TWG members.**

#### **Business Systems**

The following work to improve the following Business Systems associated with the Councils activities has occurred during the reporting period:

- Financial Management
  - continued upgrade for the Navision Financials, Human Resources and Payroll Systems is currently in progress
  - upgrade to weighbridge system (Wasteman) completed
- Records Management
  - continued usage and improvement of Electronic Records Management System
- Policy Development
  - a review of existing policies is continuing, **with a next batch to be presented to Ordinary Council Meeting July 2009**

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**The proposed plan for formulation of Mindarie Regional Council Budget 2009/2010 is as follows:**

- **Management Workshop to finalise the new initiatives and the Business Plan for 2009/10 - 20 April 2009**
- **Special Council Meeting for approval of Business Plan and Gate Fees for 2009/10 - Mid May 2009 (14 or 15 May)**
- **Detailed Budget Preparation for 2009/10 - 15 to 31 May 2009**
- **Workshop for Councillors - 15 or 22 June 2009**
- **Council Meeting for approval of Budgets - 2 July 2009**

### **Review of Mindarie Regional Council Strategic Plan**

The administration has progressed a plan with external consultant, Helen Hardcastle, for review of the Strategic Plan, in the period March – June 2008. The final draft Strategic Plan was approved at Ordinary Council Meeting October 2008. **Implementation will commence 1 July 2009.**

### **Compliance Issues**

**A plan for the conduct of the 2008 DLGRD compliance audit, utilising internal resources, is currently being progressed.**

### **Procurement of Compactor – Consultants Fees**

**The administration has confirmed that the total fees for consultant support for the tender activity to procure a replacement compactor was \$16,100 (excl GST). A major component of this fee was the requirement for the external consultant – the leader of the procurement team – to accompany the MRC team on an investigative trip to the eastern states to assess compactor performance.**

### **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.

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## COMMENT

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

### TECHNICAL WORKING GROUP MEETING – 9 APRIL 2009

- The combined TWG and WESSG groups agreed that further investigation on the following projects was warranted:
  - investigation of priority strategies for feedback to community or progress with respect to improved waste management
  - investigation into an optimal approach to waste collection with the Region
  - investigation into improved language models for the waste management industry, including definitions, descriptions and 'other than English' approach
- The Group noted the following strategy with respect to progress of 'Son of Tamala' landfill:
  - conduct of a 'request for proposal' exercise to obtain information from industry
  - workable options for outsourcing of future landfill capability for Mindarie Regional Council
  - usage of this information in compilation of "Request for Tender' for outsourcing of landfill capability
  - concurrent exploration of potential landfill sites for purchase by Mindarie Regional Council

The Group conducted an extensive discussion on the issues related to exemption for delivery of waste to Mindarie Regional Council, and agreed action as follows:

- Utilisation of TWG comment in the formulation of a CEO item, for April Ordinary Council Meeting, on a 'request for exemption' by Town of Cambridge
- Conduct of further discussion on this issue at a May workshop in May 2009

## RECOMMENDATION

**That Council:**

- (i) **receives this progress report against Annual Business Plan for information**
- (ii) **approves the plan for Budget formulation as follows:**
  - a) ***Management Workshop to finalise the new initiatives - 20 April 2009 and the Business Plan for 2009/10***
  - b) ***Special Council Meeting for approval of Business Plan and Gate Fees for 2009/10 - Mid May 2009 (14 or 15 May)***
  - c) ***Detailed Budget Preparation for 2009/10 - 15 to 31 May 2009***
  - d) ***Workshop for Councillors - 15 or 22 June 2009***
  - e) ***Council Meeting for approval of Budgets - 2 July 2009***

**ATTACHMENT ONE**  
**TO ITEM 1**  
**TECHNICAL WORKING GROUP MEETING**  
**9 APRIL 2009**  
**EDUCATION REPORT**

## **WASTE EDUCATION STRATEGY STEERING GROUP REPORT ON ACTIVITY March 2009**

The region's Waste Education Strategy Steering Group (WESSG) was established in November 2006 and comprises representatives from each of the seven member Councils, plus MRC sustainability and waste education staff and consultants, two community representatives and a representative from the DEC's Waste Management Branch. WESSG meets monthly and is chaired by the MRC's CEO, Kevin Poynton. Its purpose is to achieve improved dialogue and coordination between Member Councils and the MRC on waste education issues, and to build a cohesive regional approach to waste education.

### **Activity since inception**

WESSG spent most of its first year establishing its direction, confirming the process of working jointly and identifying projects of benefit to all. Following this foundation work, several projects were agreed as important and these were implemented during 2008. These included:

- Development of a waste education brandmark – Kneedeep the frog – which is used extensively on waste education materials. The style guide has been provided to Member Councils and will be revised this year to expand the guidelines on co-branding.
- Launch of Earth Carers in the region in May 2008, with the support of SWIS funding of \$36,100. Four Councils – Perth, Cambridge, Victoria Park and Vincent – participated in the launch and first training program which had an intake of 40 participants. Stirling and Joondalup joined the second training program in October which had 12 participants, and the third training program just completed attracted 36 participants from across the region. The Earth Carers participate in a range of Council-run events where volunteer help is needed.
- Development of a mobile display waste education van in the first half of 2008, again with the support of a SWIS grant for \$50,000. Following completion in mid-2008, the mobile display is being regularly booked to appear at community events across the region to spread the waste message.
- Development of a fridge calendar or 'Waste Management and Recycling Guide' which provides waste information to households, combining localised and regional information. To date, Perth and Vincent have produced a 2008/09 calendar; Victoria Park has produced a 2009 calendar; and Stirling is about to produce a 2009/10 calendar.

- Joint management and promotion of the tours program incorporating tours of Tamala Park and the Recycling Centre Balcatta.

Towards the end of 2008 WESSG identified Waste Wise public event recycling as a priority, and a working group commenced the planning process for this program.

The Member Councils have used the WESSG forum to share information about the roll-out of recycling bins as Vincent, Joondalup, Wanneroo and Victoria Park have all taken this step during 2008 and early 2009. Kevin Poynton also updates the group on strategic issues at every meeting.

### **Current activity focus**

At its first meeting in 2009, WESSG confirmed its five priority areas for action over the next 18 months as:

1. RRF promotion – in the lead-up to commissioning of the RRF to build awareness of the facility, and beyond to ensure people don't put problem products or recyclables in their household wheelie bin;
2. Earth Carers training and outreach – the commitment is to run two training programs per year and to formalise the outreach component to keep Earth Carers actively and meaningfully engaged;
3. Household Hazardous Waste disposal day program – the temporary disposal day program organised by the DEC and WALGA is supported at the local Council level through promotion and hands-on assistance at each disposal day;
4. Waste Wise public event recycling – the planning work that commenced last year has moved into a research phase with a number of trial events held over the summer months. A report is being prepared with recommendations about how to embed waste wise planning in event management procedures within participating councils;
5. Continued joint activity with Member Councils to undertake community education through:
  - Support/sponsorship of Council waste education activities
  - Mobile display
  - Tours at Tamala Park, Recycling Centre Balcatta and to Neerabup
  - Fridge calendars

In addition, four new projects will start to take shape:

- Battery collection program – the current SWIS grants round is providing funding to start a battery collection program in each council across the metropolitan area. Stirling has run a battery collection program for some years and the funding provides the impetus to expand this across the region;
- Schools program – in addition to the battery collection program, we are keen to start planning a program which would build council relationships with schools and match our waste education offerings with the school curriculum framework.
- Support of SWMP priorities (as relevant).
- Exploration of what language we should be using to reduce confusion about waste and to enhance community behaviour waste terms.

The Group's overall aim remains to: *build community support and participation in the region's sustainable waste management approach which will reduce the environmental impact of waste and reduce the waste footprint for future generations* (RWEF vision statement).

March 24<sup>th</sup> 2009

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**ITEM 2.                    RESOURCE RECOVERY FACILITY – PROJECT PROGRESS  
REPORT**

**File No:                    WST/13-02**

**Attachment(s):        1. Project Development Cost Summary**

**Author:                    Ian Watkins**

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**SUMMARY**

The purpose of this report is to provide Council with current information on progress with respect to the project to establish a Resource Recovery Facility (RRF) within the region. New information since the last report is represented in '*bold italics*'.

**BACKGROUND**

The Mindarie Regional Council has previously identified a need to develop business programmes other than landfill in order to minimise waste to landfill. The Council's Strategic Plan, at Objective One, describes this approach as follows:

To operate resource management programmes, both existing and "in planning", in accordance with best appropriate practice.

The Council has made a considerable number of decisions in regard to the Resource Recovery Facility project, and these have been documented in previous reports. More recent decisions have been as follows:

- the decision to contract with BioVision2020 for a Resource Recovery Facility (3 August 2006)
- resolved to enter into the Deed of Amendment and Restatement with BioVision2020 (October 2006) to amend and restate the Resource Recovery Facility Agreement as entered into on 11 August 2006
- that BioVision2020 not be required to pay rent until the commencement of the Operating Period
- increase the Gate Fee payable to BioVision2020
- reduce the Performance Guarantee from \$1.5M to \$1.0M
- accepts SITA Environmental Solutions as the replacement for WorleyParsons
- agreement in principle to ANZIS holding 70% of the shareholding in BioVision2020 and SITA the remaining 30%
- increase the Gate Fee payable to BioVision2020 as a result of SITA replacing WorleyParsons
- agreement in principle to Westscheme holding 70% of the shareholding in BioVision2020 and SITA the remaining 30%
- resolved to enter into the Deed of Guarantee and requesting all 7 Member Councils to do the same (all 7 Member Councils have subsequently signed the Deed of Guarantee)
- resolved to enter into the Deed of Amendment and Restatement (October 2007) with BioVision2020 to amend and restate the Resource Recovery Facility Agreement as entered into on 11 August 2006

- resolved to sign the Lease and Certifier Agreement
- approved delegated authority for the CEO to sign relevant project agreements
- approved the ongoing use of project consultants (February 2008)
- award the construction contract for the MRC civil infrastructure works to Griffin Civil (October 2008)
- award the construction contract for the Mindarie Regional Council building works to BCL Constructions (December 2008 under delegated authority)

## DETAIL

### Project Programme

The proposed project programme noting in particular the Actual/Revised Enclosed Dates is as follows:

Table 1 – Key milestones for the SWTF project for the Mindarie Regional Council

	Task	Estimated	Actual/ Revised	
			Start	End
1	Community Consultation	February 03	July 02	February 03
2	Site Selection	February 03		February 03
3	Environmental Approvals	September 03	August 02	August 04
4	Prepare tender documents	November 03	October 03	October 05
5	Contractors prepare tenders	January 04	October 05	February 06
6	Evaluate tenders	February 04	February 06	June 06
7	Negotiate with successful tenderer	March 04	June 06	December 06
8	Complete land transaction	April 04	March 04	August 05
9	Development Application/ Works Approval	April 04	August 06	December 06
10	Design and Construction of Facility	June 05	January 07	April 09
11	Facility Commissioned	September 05	April 09	July 09

### Progress Report

Key activities recently completed have been as follows:

- continued development of the Community Engagement Strategy
- finalisation of contract details
- completed the transfer of environmental responsibility to BioVision2020
- receipt of payment for the sale of Bush Forever land
- WorleyParsons withdrawal from BioVision2020 and subsequent replacement by SITA
- approved BioVision2020 fee variation request as a result of SITA replacing WorleyParsons
- extension of the Conditions Precedents Satisfaction date to 30 November 2007
- Mindarie Regional Council and all 7 Member Councils signing the Deed of Guarantee

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- Mindarie Regional Council completing all Conditions Precedents
  - Mindarie Regional Council accepting all relevant BioVision2020 project agreements
  - BioVision2020 completing all Conditions Precedents
  - Financial Close (23 November 2007)
  - satisfaction of Conditions Precedents and the project progressing to the design and construction phase
  - ongoing project co-ordination between Mindarie Regional Council and BioVision2020
  - introduction of BioVision2020 to CEAG
  - finalisation of site levels and road design
  - concept design for Mindarie Regional Council infrastructure
  - finalisation of the water supply to Lot 505 Neerabup
  - public announcement of contract finalisation
  - commencement of construction works on-site
  - held a public meeting (19 March 2008) to provide information on the RRF and to introduce the contractor to the local community
  - final subdivision of the original Lot 501, Bush Forever portion finally transferred to WAPC. Mindarie Regional Council property now Lot 801
  - appointment of URS to carry out the detailed design of the Mindarie Regional Council infrastructure works
  - tendering the Mindarie Regional Council civil infrastructure works
  - award of the MRC civil infrastructure works
  - tendering the MRC building works
  - finalisation of additional groundwater allocation (50,000kl) from Trandos Farms
  - award of the Mindarie Regional Council building works contract
  - installation of the 2<sup>nd</sup> groundwater extraction bore
  - installation of permanent power to site (achievement of the Mindarie Regional Council contractual commitment)
  - **completion of MRC infrastructure works**
  - **Independent Certifier acceptance of MRC contractual infrastructure requirements as being complete**
  - **Grand Opening Function Friday 27 March 2009**
  - **Public Open Day Saturday 28 March 2009**

### **Contract Finalisation Process**

Following the Council decision to award the contract to BioVision2020 (WorleyParsons) on 9 August 2006 and the subsequent signing of the contract on 11 August 2006, the project development moved into the contract negotiation and contract finalisation process.

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The following activities have been undertaken since 11 August 2006.

- Legal documentation finalised based on agreed contractual positions
- Progress Deed of Guarantee
- Detailed assessments of the BioVision2020 fee variations has been undertaken
- Sale of the Bush Forever land
- Transfer of environmental licence to BioVision2020
- Replacement of WorleyParsons by SITA
- Finalise legal documentation based on SITA's involvement in the project
- Accept Westscheme as the majority (70%) shareholder in BioVision2020
- Completion of all Mindarie Regional Council Conditions Precedent requirements
- Review of all relevant BioVision2020 project documents
- Completion of all BioVision2020 Conditions Precedent requirements
- Financial Close
- Satisfaction of all Conditions Precedents occurred on 23 November 2007
- Revision of the Lease to incorporate a minor change to the Lease area
- Obtaining final signed project documentation from BioVision2020

### **Community Engagement**

The Council's plan for community education and engagement has been developed by the Secondary Waste Treatment Facility Working Group. The strategies associated with this plan have been translated into Action Plans by a working group comprising members of the Council administration, and external consultants.

Key activities conducted recently were as follows:

- The Community Engagement Advisory Group (CEAG) has been continually informed of the Resource Recovery Facility development process
- The community education strategy has been developed in conjunction with the Regional Waste Management Plan
- Broader community engagement relating to the status of the Resource Recovery Facility development has been commenced
- CEAG work developing the concept for a community education facility at Neerabup in conjunction with a mobile display
- Public announcement of contract finalisation
- Public meeting held (19 March 2008) to provide information on the RRF and introduce the contractor to the local community
- Monthly Community updates in local press
- ***Pubic Open Day Saturday 28 March 2009***

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## **Secondary Waste Treatment Facility Working Group Meetings**

The Secondary Waste Treatment Facility Working Group met on **25 February 2009 and 1 April 2009**.

The notes from the meetings have previously been distributed to all Council Members and relevant Officers.

## **Land Issues**

The City of Wanneroo and Landcorp are actively progressing with the development of the Neerabup Industrial Estate. The Mindarie Regional Council and Cardno Town Planners have been involved in meetings and discussions with various parties over the proposed Structure Plan. The main outstanding issues to be resolved are:

- the removal of the planned North/South road access across Lot 801
- the finalisation of the location of the Pederick Road road reserve
- final site levels for the revised Structure Plan
- Mindarie Regional Council contribution to N/A infrastructure costs

The above aspects have yet to be finally resolved. Discussions with the City of Wanneroo would indicate that the North/South road will be required.

## **Site Development**

### Development Application

All necessary Development Applications have been issued by the City of Wanneroo.

- RRF Development
- Mindarie Regional Council building works development

### Works Approval

Works Approval from Department of Environment & Conservation has been received by BioVision on 23 June 2008. The Works Approval has indicated that a staged Operating Licence will be issued for 50,000 tonnes per year, increasing to 100,000 tonnes once the facility has demonstrated that it is working properly.

Following discussions with the DEC, the operating licence will now be issued for 50,000t/yr, but the facility will be able to operate at an equivalent daily throughput of 100,000t/yr. That is, the facility will be able to operate at full capacity to be commissioned in accordance with the RRFA. BioVision has approximately 8 months (including the commissioning period) to demonstrate to the DEC that the facility is able to be operated at full capacity in accordance with agreed standards before the 50,000t licence runs out.

Mindarie Regional Council and BioVision are comfortable with this agreed licensing approach.

### Building Licence

It has been agreed with the City of Wanneroo that staged building licences will be issued covering various aspects of the works. This will allow construction of the earthworks and underground services to commence prior to the issue of the complete Building Licence.

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### **Updated Building Licence Status**

- Stage 1 – submitted 10 January; approved 20 February
- Stage 2 – submitted 22 January; approved 26 May
- Stage 3 – submitted 29 February; approval August – this building licence includes MRC infrastructure works currently being constructed
- Stage 4 – MRC Building Works – in the process of being applied for by the builder

### Water Supply

In accordance with the Resource Recovery Facility Agreement, Mindarie Regional Council is to provide the water supply to the Resource Recovery Facility. This is to be achieved via onsite groundwater bores. URS has undertaken the necessary design of the water supply infrastructure.

The installation of one water supply bore was completed in March 2007. The pumping equipment and related infrastructure was installed onsite on 29 February 2008.

Now that Financial Close has occurred, work to finalise the water supply infrastructure has commenced. This work includes the following:

- installation of the second groundwater bore (completed)
- pump testing of bores (completed)
- sampling and testing water quality of 2<sup>nd</sup> bore (1<sup>st</sup> bore previously tested)
- power supply
- installation of bore equipment (Bore No 2) and associates pipework

Sampling of the groundwater has been undertaken from bore number 1 and test results indicate that the quality of water is suitable for the BioVision2020 requirements.

The Mindarie Regional Council has recently exercised its option to purchase an additional 50,000kl/yr water allocation from Trandos Farms. This was part of the original land purchase arrangements. The Department of Water has transferred the allocation to the Mindarie Regional Council. The Mindarie Regional Council now has a water extraction licence for a total of 100,000kl/yr.

### Electrical Supply

Within the Resource Recovery Facility Agreement, the Mindarie Regional Council is responsible to ensure that power is available in the street. It was confirmed by Western Power in October 2006 that there was sufficient capacity in Pederick Road, hence no headworks expenses were included in the Mindarie Regional Council development cost estimates.

In June 2007 when BioVision2020 requested a quote for the electrical headworks connection from Western Power, the pre-quote estimate came out as \$1.067M. This is a cost to which the Mindarie Regional Council would be liable.

Following discussions with LandCorp, Mindarie Regional Council has been advised that future Neerabup Industrial Area headworks contributions will not include any power supply infrastructure costs. All landowners are expected to make their own arrangements with

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regards to power supply. Hence there will be no off-set of the RRF power supply costs against future NIA infrastructure contributions.

Mindarie Regional Council has paid the \$50,000 (incl. GST) fee to Western Power to obtain a detailed quotation for the supply of the necessary power to site.

The detailed quote was received on 5 May 2008 for a total cost (including the deposit) of \$221,938.19. On 8 May 2008 Mindarie Regional Council paid the remaining \$176,483.64.

Western Power has gone out to tender for the necessary works and were confident that the requested power supply will be available by the 1 November 2008, which is in accordance with the RRFA requirements.

The difference between pre-quote estimate (\$1.067M) and the final quote value (\$221,938.19) is that Western Power has covered a larger portion of the infrastructure upgrade costs.

The original "switch on" date was 28 October 2008. This was postponed to 24 November 2008 due to problems with laying the power cable through the Neerabup area. A revised date of 15 January 2009 was agreed, this was not achieved. Following a meeting with Western Power and MRC CEO and Project Manager, it was agreed that Western Power could provide sufficient power from another grid and once the original intended power lines were installed, a simple switch over would be necessary. Mindarie Regional Council was advised that the proposed connection date was 30 January 2009. This date was not achieved by Western Power. A revised date of 10 February was provided and eventually power was supplied on this date (5 days before dry commissioning was due to commence).

BioVision and its contractors have been extremely accommodating in working around the continual delays (3.5 months) in achieving the power connection and have not incurred any construction delays; hence, the Mindarie Regional Council has not incurred any penalties as a result of the power supply delays.

The Mindarie Regional Council has now achieved its contractual commitment of providing power to the site.

The SWTF-WG is currently assessing the need for the installation of a permanent backup power supply. This assessment involves the following:

- Development of a Backup Power Plan
  - Identify activities and costs associated with the provision of backup power in the case of power outages (short term and long term)
  - Determine the necessary backup power supply needed (full or partial supply)
  - Identify which party (Mindarie Regional Council or BioVision) covers which costs
- Have the Backup Power Plan agreed and signed off by the Project Advisory Group
- Depending on cost allocations, SWTF-WG to make a recommendation to Council with regards to the provision of a permanent backup power supply

Cardno is currently developing the draft plan for review by Mindarie Regional Council and BioVision.

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### Site Levels

BioVision2020 has requested to undertake general earthworks across site to alleviate the need for them to install retaining structures along the southern lease boundary. This request has been agreed to.

BioVision2020 has completed the design of the earthworks across both the lease area and the Mindarie Regional Council infrastructure area. The design balances the required cut volume and fill volume to prevent having to import material onto site. The benefit to BioVision2020 is that there is the cost saving in not having to import fill material. The benefit to Mindarie Regional Council is that all the bulk Earthworks are designed and constructed by BioVision2020, at no cost to the Mindarie Regional Council.

### Roadworks

Mindarie Regional Council has completed the design of all access road infrastructure using the same consultant as BioVision2020. This has led to significant synergies, time saving and cost savings for both Mindarie Regional Council and BioVision2020.

As part of the City of Wanneroo Building Licence approval process, concern was raised about the position of the site entrance in relation to the proposed north/south road. Consequently, the site entrance alignment was modified to enable the north/south road to be constructed and achieve a safe entrance into the Mindarie Regional Council site. The road modifications resulted in a marginal increase in entrance road length and the need to include a portion of concrete pavement to accommodate turning of heavy vehicles.

Recently the City of Wanneroo and URS (MRC design consultant) have finalised the requirements for the localised widening of Pederick Road to accommodate the entry and exit of large vehicles through the RRF entrance. This work is currently being quoted on by a number of contractors and is anticipated to commence in early March. ***This work has been completed prior to the Grand Opening function.***

### Mindarie Regional Council Infrastructure

Mindarie Regional Council has developed a concept layout for all Mindarie Regional Council infrastructure required on site:

- space has been allowed for in and out bound weighbridges. Only the inbound weighbridge will be constructed for Stage 1
- car and bus parking areas have been located
- the Mindarie Regional Council office and education centre has been conceptualised.

The layout of the Mindarie Regional Council infrastructure has been developed in conjunction with Mindarie Regional Council Operations staff and CEAG.

URS (Panel consultant) has been appointed to undertake the detailed design, tendering and superintendence of the Mindarie Regional Council infrastructure works.

MRC civil infrastructure works were tendered out in September with the contract being awarded to Griffin Civil at the Ordinary Council Meeting 23 October 2008. Works commenced on site on 6 November, 2008.

MRC building works for the construction of Mindarie Regional Council office/education centre and weighbridge office were tendered during November.

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Following delays in finalising the financial assessment of the preferred tenderer a recommendation for award was unable to be presented to Council at the December 2008 Ordinary Council Meeting. Consequently, once the financial assessment was finalised and the preferred contractor deemed financially stable to undertake the works, the contract was awarded by the MRC CEO under delegated authority (out of session approval).

The building works (Tender 13/95) were awarded to BCL Constructions to the value of \$682,333 (Excl. GST). The award of the tender is the subject of a separate Item to Council.

The Development Application for the building works has been approved by the City of Wanneroo.

#### Timing of Mindarie Regional Council Site Infrastructure & Building Works

BioVision2020 commenced construction on site on 28 February 2008. Mindarie Regional Council are closely monitoring the program of works to ensure that the Mindarie Regional Council infrastructure and building works is completed in time.

It is anticipated that the majority of the Mindarie Regional Council infrastructure and building works will be constructed during the 2008/2009 financial year.

#### ***Infrastructure works completed.***

#### ***Building works currently under way.***

#### Revised Lease Plan

At the Ordinary Council Meeting 11 October 2007, the Mindarie Regional Council resolved inter alia:

“agrees to amend the Lease to BioVision 2020 for Resource Recovery Facility, after Western Australian Planning Commission (WAPC) approval to the amendment to an add on area of 282 m<sup>2</sup> in north west corner.”

At the Ordinary Council Meeting 28 February 2008, the Mindarie Regional Council resolved inter alia:

“authorises the Administration to advertise a Public Notice in accordance with S3.58 of the Local Government Act in order to amend the RRF Lease”.

Accordingly, the lease amendment was advertised via a public notice for a period of two weeks. No public submissions were received. It is now appropriate that Council approve the Lease amendments.

At the Ordinary Council Meeting 24 April 2008, the Mindarie Regional Council resolved inter alia:

“approve the amendments to the Lease to an add on area of 282m<sup>2</sup> in the North West Corner and authorise the Administration to finalise the Lease with BioVision and note that the Neerabup site land description will change from the current Lot 505 as a result of the sub-division of the Bush Forever portion of the property”

Accordingly, the lease amendment documentation has been finalised and forwarded to BioVision for signing.

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## Future Activities Planned

Future activities associated with this project are as follows:

- continuation of community engagement including CEAG
- progress site construction:
  - complete installation of water supply infrastructure
  - road reserve requirements with City of Wanneroo and LandCorp
  - Mindarie Regional Council infrastructure construction
- preparation for wet commissioning
  - weighbridge operations
  - operating procedures
  - waste delivery
- **Preparation for full operations**
  - **landscaping**
  - **Education Centre internal fitout**
  - **develop site tour program**

## RRF Tonnage Input

### During Commissioning

The Mindarie Regional Council is required to deliver approximately 15,000 tonnes to 19,000 tonnes of waste to the RRF during the three month commissioning period. It is proposed that this tonnage come from the City of Wanneroo and the City of Joondalup as they are the two nearest member councils with sufficient processable waste. The proximity of the RRF to the two councils provides sufficient flexibility to react quickly to changes in required tonnage during commissioning.

### During Operation

The determination of the tonnage allocation during the operational period will be the subject of further review by the Technical Working Group.

## Caretaker Issues

***At the Ordinary Council Meeting 5 March 2009 this confidential (for legal reasons) matter was discussed. Council will be provided with a verbal update at the Ordinary Council Meeting.***

## Ongoing Project Management

### Project Advisory Group

Within the RRFA, the Project Advisory Group (PAG) is the primary group to administer the various Mindarie Regional Council project agreements. This PAG consists of 3 Mindarie Regional Council members, 3 BioVision2020 members and an independent Chairperson.

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The members of the PAG are as follows:

Mindarie Regional Council

- Cr Laura Gray JP (City of Wanneroo)
- Kevin Poynton (CEO)
- Eddy Albrecht (City of Stirling)
- Cr Dot Newton (Alternate Representative – City of Wanneroo)
- Dennis Blair (Alternate Representative – City of Wanneroo)

BioVision2020

- Emmanuel Vivant (BioVision, Director)
- Marco Fontana Giusti (SITA, Project Manager)
- Nial Stock (SITA WA, State Manager)

Chairman

- Mike Wadsworth

Mutually agreed between Mindarie Regional Council and BioVision and finalised by the CEO in accordance with delegated authority from Ordinary Council Meeting 13 December 2007.

***The PAG met on 4 March 2009 and 1 April 2009. Items from these meetings include:***

- Current operational issues
- Conporec financial situation
- Caretaker
- Backup Power Plan
- Commissioning Plan
- Compost marketing
- ***Operating Licence***
- ***Opening Function***

As part of the RRFA, there was a Construction Contingency Account (CCA) to the value of \$475,000 set up to cover the cost of design changes or additions that were not foreseen by SITA at the time of finalising the contract and that implementing the changes or additions would improve the likelihood of BioVision meeting the KPIs. The CCA was set up primarily because SITA did not have sufficient time during contract negotiations to undertake a comprehensive design review.

SITA has completed the detailed review of the design of the Resource Recovery Facility. Consequently there have been some minor changes to the design and some additional components added.

As a result of the design review, BioVision has submitted 9 variations to the Project Advisory Group (PAG) for expenditure of the CCA. Cardno Meinhardt JV has assessed the variation requests and submitted recommendations to the PAG. The PAG has accepted 7 variations. Table 2 provides details of the variations requested.

**Table 2.**

<b>Item</b>	<b>Value</b>	<b>Accepted/Rejected</b>
1. Variable speed drives on fan motors	\$182,149	Accepted
2. Jacking cradles	\$86,643	Rejected
3. Stainless steel bolts	\$75,000	Rejected
4. Changes to humidifier system	\$73,500	Accepted
5. Automatic rapid closing doors	\$36,500	Accepted
6. Building pressure measurement gauges	\$23,288	Accepted
7. Water flow meters	\$9,475	Accepted
8. Plenum & air chamber	\$159,011	Accepted
9. Leachate flow meters	\$18,330	Accepted
The remaining value in the CCA = \$2,539 (incl. interest)		

The PAG has delegated authority from the Mindarie Regional Council to approve expenditure of the CCA up to the maximum value of the CCA (\$475,000 plus accrued interest). Any variations beyond this value can only be approved by the Mindarie Regional Council.

Mindarie Regional Council has received legal advice that the total value of the CCA able to be authorised by the PAG includes accrued interest as intended by the RRFA.

### **Grand Opening Function**

Consideration has been given to the timing of when the Grand Opening Function should be held.

Two options are available:

- 1) Before wet commissioning, while the facility is still clean (enabling full viewing of the facility)
- 2) After wet commissioning, while the facility is fully operational (viewing limited to the observation check, but facility fully commissioned and operating)

SWTF WG, BioVision, CEAG, TWG and Council preference is for Option 1, due to the ability to have a more comprehensive viewing of the facility.

It has been agreed to hold the Grand Opening Function before the commencement of wet commissioning.

The intention was to have a dignitary open the facility. The potential dignitary being one of the following:

- Premier (not available)
- Minister for Environment (not available)
- Minister for Local Government (not available)
- Local Member

In order to include the local community in the opening of the facility, it is proposed to hold a public open day on the Saturday immediately following the Grand Opening Function.

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Agreed dates for the opening were as follows:

- Grand Opening Function – Friday 27 March 2009
- Public Open Day – Saturday 28 March 2009

***The Grand Opening Function was a great success with 180 invited guests turning up on the day. The local Member of Parliament Mr Paul Miles formally opened the facility. Following the formalities, guests were taken on a guided tour of the facility. Comments from guests were that the opening functions was extremely informative and well presented.***

***The Public Open Day was held the day after the grand opening. Following numerous radio and newspaper promotions approximately 350 people pre-registered to attend the open day which was held between 10.00am and 4.00pm. The first guests arrived at 9.30am with the last guests leaving at 4.15pm. Throughout the day there was a consistent flow of people through the site. It was estimated that approximately 500 members of the public attended the open day. The organisers of the day were extremely satisfied with the turn out and feedback from the public was that it was great to be able to see and learn what the facility was all about.***

### **Way Forward**

It is envisaged that the SWTF WG would provide strategic direction to the Mindarie Regional Council with regards to resource recovery activities.

The PAG would be the primary mechanism for managing the Resource Recovery Facility (Stage I) in accordance with the direction set out by the SWTF WG.

CEAG would continue to be the primary link into the community for mainly Resource Recovery Facility (Stage I) matters, but also a reference group for other Mindarie Regional Council community related activities such as community education and Strategic Waste Management Plans (Zero Waste Plans).

The Mindarie Regional Council would be the final decision making body for major issues and issues of a financial nature.

Various consultants would provide input into the process on an as required basis.

### **RRF Stage 2 Development**

The SWTF-WG are commencing work with regards to the development of RRF Stage 2. Work is programmed to occur in accordance with the following tasks:

- July 2008 to December 2008 – Review available technologies (FORC activity)
- January 2009 to June 2009 – Consultation with member councils
- July 2009 to December 2009 – Develop program of work activities and appoint Consultants
- January 2010 to December 2010 – Prepare Tender documents
- January 2011 to June 2012 – Tender/Contract/Award Process
- July 2012 to July 2013 – Construction
- July 2013 – Stage 2 operational

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## CONSULTATION

Consultation has occurred with the following groups:

- Cardno/Meinhardt Joint Venture
- Woodhouse Legal
- Freehills
- BioVision2020
- SITA
- Kerman Contracting
- Various Design Consultants
- City of Wanneroo

## STATUTORY ENVIRONMENT

- Local Government Act S.3.58 and S3.59
- Local Government (Functions and General) Regulations 7-10

## POLICY IMPLICATIONS

Not applicable

## STRATEGIC IMPLICATIONS

This project is consistent with Objective One of the Council's Strategic Plan 2004 – 2009.

## FINANCIAL IMPLICATIONS

A comprehensive Project Development Cost Summary has been developed and is at Attachment One to this Item.

This latest summary reflects the work conducted by the administration, in conjunction with appointed consultants, in order to comply with a Mindarie Regional Council resolutions regarding project expenditure, and associated approvals.

This work has been as follows:

- quantification of payments post **2 February 2009** and up to **2 April 2009**
- quantification of Work in Progress i.e. work completed but yet to be invoiced **up to 31 March 2009**
- review of funds required for further work **31 March 2009** – end of project

***Project expenses to date for this financial year (\$1,412,834) are within the revised Budget of \$3,043,153.00 as approved by Council at the mid-year budget review.***

## Grand Opening Functions

***With the grand opening functions only having been held in the last week of March, the functions costs are yet to be finalised. Once finalised, a cost breakdown will be provided to Council.***

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### Caretaker Legal Costs

***Legal costs associated with dealing with the caretaker matter are currently (as at 31 March 2009) \$36,000.***

### Loan 10 Summary

- original value (July 2004) \$2M
- increased (OCM 22 February 2007) by \$2.6M to \$4.6M
- increased (OCM August 2007) by \$1.5M to \$6.1M
- increased (OCM Feb 2008) by \$2.5M to \$8.6M
- ***increased (OCM 5 March 2009) by \$0.2M to \$8.8M***

The utilisation of loan funds eliminates any potential cash flow problems to the business.

### TECHNICAL WORKING GROUP – 9 APRIL 2009

Nil.

### RECOMMENDATION

**That Council receive this Progress Report dated 23 April 2009 on the project to establish a Resource Recovery Facility in the Mindarie region.**

**ATTACHMENT ONE**  
**TO ITEM 2**  
**TECHNICAL WORKING GROUP MEETING**  
**9 APRIL 2009**  
**PROJECT DEVELOPMENT COST SUMMARY**

**Project Development Costs Summary**

Item	2008/2009										Total Estimated Costs	
	2000 - 2004 (Pre-2004/5)	2004/2005	2005/2006	2006/2007	2007/2008	Original Approved Budget	Mid-Year Revised Budget	Spend to 2/14/9 (a)	#Work in Progress (b)	Total Costs (a) + (b)		Remaining Expenditure
Community Consultation (Bryant Media, CEAG)	\$ 37,817	\$ 65,796	\$ 39,024	\$ 43,663	\$ 40,796	\$ 28,000	\$ 42,969	\$ 31,759	\$ 5,000	\$ 36,759	\$ 6,210	\$ 233,306
Project/Construction Management (JV)	\$ 562,183	\$ 188,523	\$ 132,178	\$ 501,804	\$ 277,965	\$ 120,000	\$ 172,510	\$ 87,880	\$ 22,000	\$ 109,880	\$ 62,630	\$ 1,725,283
Legal (Freehills, Woodhouse Legal)	\$ -	\$ 366,124	\$ 1,019,638	\$ 1,292,349	\$ 630,929	\$ 50,000	\$ 99,526	\$ 90,501	\$ 3,000	\$ 93,501	\$ 6,025	\$ 3,315,065
Financial (PKF, Deloitte)	\$ -	\$ 5,620	\$ 113,798	\$ 27,964	\$ 62,498	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ 229,879
Probity (Braxfords)	\$ -	\$ 3,840	\$ 37,958	\$ 3,848	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,645
MRC Project Management	\$ 10,000	\$ 20,411	\$ 54,923	\$ 45,179	\$ 65,155	\$ 42,000	\$ 64,240	\$ 44,187	\$ 10,000	\$ 54,187	\$ 10,054	\$ 205,720
Insurance Advisors (AON)	\$ -	\$ -	\$ 4,750	\$ 15,000	\$ 10,175	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ 39,925
Site Infrastructure	\$ -	\$ -	\$ 1,800	\$ 20,916	\$ 292,047	\$ 1,330,000	\$ 2,625,048	\$ 1,152,830	\$ 520,000	\$ 1,672,830	\$ 952,218	\$ 1,266,982
Over Seas Inspection Tour	\$ -	\$ -	\$ 215,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,506
Other	\$ 50,000	\$ -	\$ 9,570	\$ 38,798	\$ 8,378	\$ -	\$ 8,860	\$ 5,678	\$ 1,182	\$ 6,860	\$ 2,000	\$ 108,746
<b>Total Costs Incurred</b>	<b>\$ 660,000*</b>	<b>\$ 650,313</b>	<b>\$ 1,629,143</b>	<b>\$ 1,989,520</b>	<b>\$ 1,387,942</b>	<b>\$ 1,600,000</b>	<b>\$ 3,043,153</b>	<b>\$ 1,412,834</b>	<b>\$ 561,182</b>	<b>\$ 1,974,016</b>	<b>\$ 1,069,137</b>	<b>\$ 7,386,056</b>
<b>Total Costs Incurred to 30/6/07</b>												
<b>Pre-Operating Expenses (funded from surplus funds and expenses against 09/10 RRF income)</b>												
Grand Opening Function												\$ 30,000
Commissioning Waste Payment												\$ 2,093,000
												Pol May 09
												<b>Subtotal</b>
												<b>\$ 2,123,000</b>
<b>Balance of Loan Funds (Loan 10)</b>												
Original Value \$2.0M	Not Applicable**	\$ 1,349,687										
Increased by \$2.6M to \$4.6M			\$ 2,320,544	\$ 331,024								
Increased by \$4.0M to \$8.6M				\$ 2,943,081								
Increased by \$0.2M to \$8.8M (incl. \$50K Contingency)												\$ 99,928
<b>Land Purchase (Asset)</b>			<b>\$ 3,500,000</b>									

\* Pre-2004/5 breakdown estimated based on available information

\*\* Pre-2004/5 costs expensed through Tamala Park operations

# Work in Progress is work that has been carried out, but no invoice has been received or is in the process of being paid

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**ITEM 3                    LANDFILL UPDATE REPORT**

**File No:                    WST/100**

**Attachment(s):        1. Landfill Airspace Consumption  
                              2. Landfill Waste Density**

**Author:                    Ian Watkins**

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**SUMMARY**

The purpose of this report is to provide Council with information relating to the development and operation of the Tamala Park landfill.

Topics covered in this Item include:

- Waste tonnage and airspace consumption
- Waste density
- Stage 1 to Stage 2 tie-in
- Phase 3 development
- Buffer Zone (North)

**BACKGROUND**

Council has previously, on a regular basis, been provided with landfill update reports (last report 11 December 2008). This Item forms part of the regular update process.

**DETAIL**

Waste Tonnage & Airspace Consumption

In previous Landfill Update reports, forecast tonnage to landfill has been based on Cardno forecasts undertaken in 2003. The MRC Financial Model also has tonnage forecasts; however, these forecast tonnages are based on information regularly provided by member councils and estimations of casual tonnage.

For consistency, all forecast tonnage used in future Landfill Update reports will reflect the forecasts in the MRC Financial Model.

Table 1 provides historical data on waste tonnage to landfill as well as a comparison against forecast tonnage.

**Table 1 - Comparison Actual Tonnage vs Forecast Tonnage**

<b>Year</b>	<b>Tonnage Landfilled</b>	<b>*Forecast Tonnage</b>	<b>% Change</b>
2006/2007	353,674	358,354	-1.3%
2007/2008	380,064	354,660	7.2%
2008/2009	190,330 (6months)	176,415 (6months)	7.9%

\*Forecast Tonnage data based on MRC Financial Model values.

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In the 2007/2008 year there was been a noticeable increase in casual customers. This situation has continued for the first 6 months of 2008/2009. The impact of the increased tonnage will be that the landfill would reach maximum capacity earlier than originally anticipated; however, the impact is diluted by the development of 3 RRF's.

Based on the actual tonnage received and anticipated future tonnage, Tamala Park will reach maximum capacity by August 2021. Previous predictions based on the Cardno forecast was that the landfill would reach capacity in January 2022.

Attachment One to this Item provides a graph demonstrating the airspace consumption over time.

#### Waste Density

Waste density is calculated on a six-monthly basis via aerial surveys. Attachment Two to this Item provides a graph of the waste density trend over time.

Typically for a deep putrescible landfill it would be expected that a waste density of approximately  $0.85\text{t/m}^3$  should be achieved by the time that the landfill has reached maximum capacity. It would not be expected to get this density in the first few layer of waste; however, over time once the affect of waste settlement has been taken into account, the waste density should increase to approximately  $0.85\text{t/m}^3$ .

Factors that influence waste density include:

- Waste type
- Compactive effort
- Moisture content/waste decomposition
- Landfill gas extraction
- Waste depth
- Waste settlement
- Accuracy of survey process

The most recent waste density has been calculated at  $0.82\text{t/m}^3$ . This is an improvement on the previous period ( $0.82\text{t/m}^3$  vs.  $0.77\text{t/m}^3$ ); which would be expected as the waste height increases.

Note: The waste density from the 11 December 2008 report was revised from  $0.72\text{t/m}^3$  to  $0.77\text{t/m}^3$  due to a correction in tonnage landfilled from 180,896t to 190,046t.

#### Stage 1 to Stage 2 Tie-in

The contract for the construction of Stage 1 to Stage 2 Tie-in Liner Works was awarded to JMS Mining and Civil in December 2008. Between December 2008 and February 2009, some design refinements were carried out to the scope of work to accommodate specific materials proposed by the contractor.

In February 2009 construction commenced on site. Based on the latest construction program, work is planned to be completed by early June.

All construction activities are currently on schedule and on budget. There is sufficient airspace available within Stage 2 to accommodate landfilling operations until the construction works are complete.

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Once the tie-in works have been completed, this will enable landfilling to be finalised in the north east corner of Stage 2 and allow the northern portion of the landfill to be permanently capped and rehabilitated. Capping this portion will allow the landfill 500m buffer zone to be moved progressively south off the Tamala Park Regional Council land and facilitate further development of that property.

#### Stage 2 Phase 3 Development

The excavation of Phase 3 commenced in July 2007 and is anticipated to be completed by mid to late 2009. At present there is approximately 500,000t of limestone still to be excavated. By the time the excavation is complete, the final landfill lining design and tender documentation will have been finalised and ready for advertising.

The rate of airspace consumption will be monitored and this will be the driver in determining when the Phase 3 liner works will be carried out.

Based on current planning it is anticipated that the lining works will occur immediately after winter 2009 (2009/2010 financial year) for landfilling to commence in early 2010.

#### Buffer Zone (North)

The Tamala Park lease section 5.7(f) Buffer Distance Requirements states:

*“Mindarie must completely cease to rely on the Temporary Buffer to satisfy the whole or any part of the Recommended Buffer Distance on 31 December 2010.”*

The “Temporary Buffer” refers to that portion of the northern buffer zone that falls within the Tamala Park Regional Council (TPRC) land.

The “Recommended Buffer Distance” refers to the DEC required 500m buffer distance from the active landfill to the nearest residential subdivision.

Currently the northern Recommended Buffer Distance extends approximately 350m into the TPRC land. It is a requirement of the Tamala Park lease that this buffer be pulled back to within the Tamala Park lease boundary by 31 December 2010.

Based on the physical shape of the landfill, this can only be achieved once Stage 2 Phase 3 has been lined and substantially filled. This would only occur by approximately 2014 to 2015.

By early 2010 landfilling will reach maximum capacity in Stage 2 Phase 1 and 2 (prior to commencing landfilling in the bottom of Phase 3). At this stage there will be a significant portion of Phase 1 and 2 that would be at final design levels and ready to be capped. Once capped, the northern Recommended Buffer Distance can be moved further south incorporating the closed portion of the landfill.

Hence, in accordance with the Tamala Park lease, by 31 December 2010 the Temporary Buffer will only be able to be reduced from 350m to approximately 150m.

#### **CONSULTATION**

- DEC
- Landfill Operations Staff
- Golder Associates

- 
- JMS
  - Tamala Park Regional Council

#### **STATUTORY ENVIRONMENT**

Not applicable.

#### **POLICY IMPLICATIONS**

Not applicable.

#### **STRATEGIC IMPLICATIONS**

This project is consistent with Objective One of the Council's Strategic Plan 2004 – 2009.

#### **FINANCIAL IMPLICATIONS**

Sufficient funds have been allocated in the Mindarie Regional Council Strategic Financial Model to cover anticipated landfill cost.

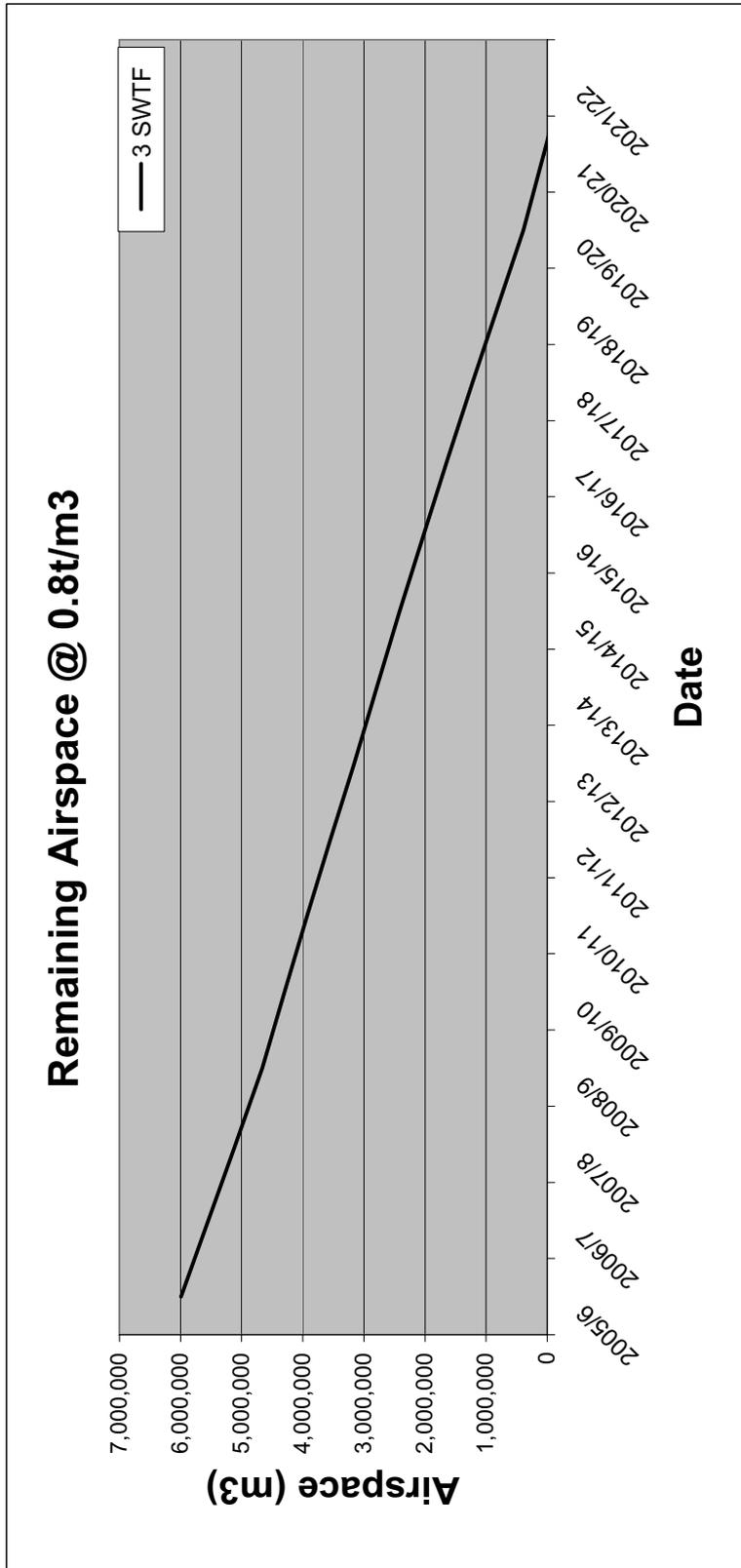
#### **TECHNICAL WORKING GROUP – 9 APRIL 2009**

Nil.

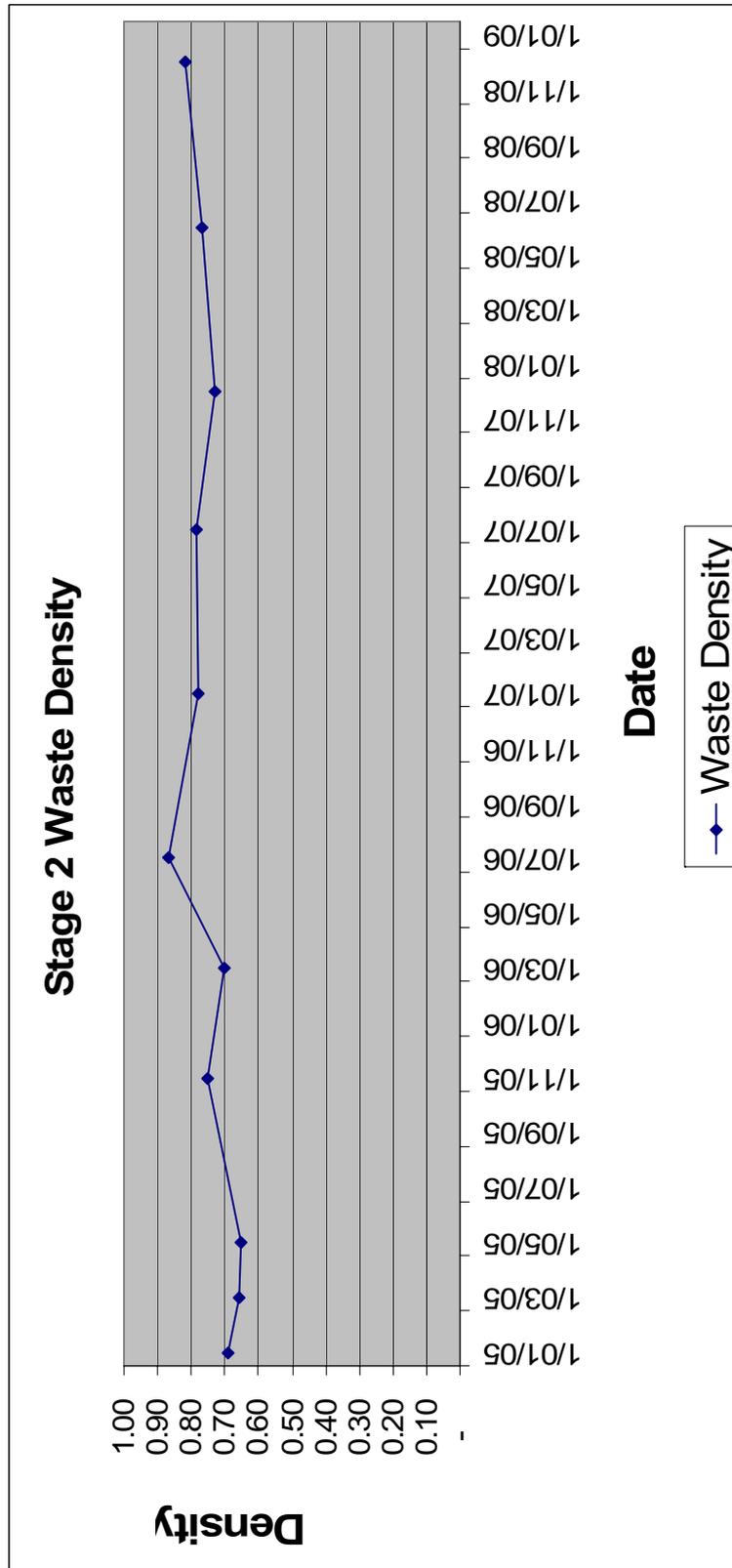
#### **RECOMMENDATION**

**That Council receive this Landfill Update Report dated 23 April 2009.**

**ATTACHMENT ONE**  
**TO ITEM 3**  
**TECHNICAL WORKING GROUP MEETING**  
**9 APRIL 2009**  
**LANDFILL AIRSPACE CONSUMPTION**



**ATTACHMENT TWO**  
**TO ITEM 3**  
**TECHNICAL WORKING GROUP**  
**9 APRIL 2009**  
**LANDFILL WASTE DENSITY**



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**ITEM 4                    CARBON TRADING - UPDATE**

**File No:**                **WST/120**

**Attachment(s):**    **Nil.**

**Author:**                **Ian Watkins**

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**SUMMARY**

The purpose of this report is to provide Council with current information on the Federal Government Carbon Pollution Reduction Scheme (CPRS) and the possible impact of carbon trading to the Mindarie Regional Council.

**BACKGROUND**

In recent times there has been much documented about the impact of carbon emissions on the environment and how best to reduce this impact.

The waste sector is a relatively large contributor (3%) to the total national greenhouse gas emissions.

Previous indications from the Federal Government, including the Garnaut Climate Change Review Interim Report, indicated a preference for the waste sector to remain outside the CPRS (until such time that the accuracy of emissions estimation improves).

In July 2008 the Federal Government, through the Department of Climate Change issued the Carbon Pollution Reduction Scheme Green Paper which stated that emissions from the waste sector would be covered by CPRS.

Western Australian Local Government Association (WALGA) compiled a submission to the Federal Government providing comment on the Green Paper CPRS, to which Mindarie Regional Council had input.

The Federal Government issued a White Paper on the CPRS in early December 2008 which provided some clarity to the waste industry on potential impacts. There remain many unanswered questions.

As of July 2008, the National Greenhouse Emissions Reporting Scheme (NGERS) has been active. Under this scheme the Mindarie Regional Council may be required to report on emissions of greenhouse gases. This is seen as a precursor to an emissions trading scheme.

Current indications are that an Emissions Trading Scheme is due to commence in 2010.

**DETAIL**

CPRS White Paper

The Federal Government White Paper on CPRS was issued in early December 2008 and contained the following relevant information:

- Waste is to be included from scheme commencement

- Legacy waste from sites that closed prior to 30/06/2008 will be excluded from the scheme
- Legacy waste from sites that are currently operating will be excluded until 2018, after which time they will be included. The government estimates that liability of these sites will have dropped by between 30 – 60% by this time.
- Legacy emissions will be reported and count towards thresholds
- Three incentives are given for reducing legacy emissions
  - Methane captured to be allocated equally between “legacy” and “new emissions”
  - The Renewable Energy Target will continue to provide an incentive to capture LFG
  - Regulation by state and local governments
- Liability will be at point of emission not waste receipt
- The government will not be prescriptive about the time of permit purchases, although scheme regulators will have powers to ensure operators are taking appropriate steps to cover future scheme obligations
- Whilst not currently available for the waste sector the Federal Government is working with industry to include a direct measure methodology (method 4) for calculating landfill gas emissions
- NGER Methods 1 – 3 (mass balance) will be used for estimating proportion of legacy emissions arising from landfill sites. They will need to be used to estimate legacy emissions even if a direct measure methodology is approved

#### Reporting Threshold

Single Facility – 25,000t of greenhouse gases or produces/consumes 100 terajoules of energy.

Corporate Group – Operational control of facilities emitting 125,000t of greenhouse gases, or produces/consumes 500 terajoules of energy.

Indications are that Tamala Park will exceed the Single Facility threshold and will be required to offset greenhouse gas emissions.

Within the landfill industry, if a landfill is within 80km (yet to be confirmed) of another landfill that meets the Single Facility threshold then its threshold is reduced to 10,000t of greenhouse gases.

#### Potential Liability Reduction

There are a range of measures that can be implemented to reduce liabilities associated with CPRS. Those include:

- Organic waste diversion (RRF achieves this)
- Improved landfill cap design
- Maximising natural oxidation of methane in landfill covers
- Enhanced landfill management
- Landfill gas capture and management

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### WMAA Carbon Group Seminar

The WMAA Carbon Group ran a seminar in March. The topics covered included:

- Federal Government update
- Legal aspects on risks and liabilities
- Practical example of the potential impacts to the EMRC (Redhill landfill)
- Economics of landfill gas capture

The main points from the presentations included:

- Waste industry will be included in the CPRS
- Further refinements to the rules governing the waste industry especially landfills
- With the constantly changing concepts and assumptions and large potential liabilities it is advisable to obtain appropriate legal advice
- Landfill emissions could carry on for up to 70 years beyond the closure of a landfill
- The life cycle emission cost of landfilled waste could range from \$10 to \$40 per tonne (based on a conservative EMRC example)
- There is significant uncertainty about future carbon pollution permit prices

### Carbon Pollution Permits

Carbon pollution permits will be required to be purchased to offset greenhouse gas emissions.

The carbon pollution permit costs for operators of landfills are not insignificant. Based on government forecasts, at the assumed initial permit price of \$25, a landfill at the Single Facility threshold will incur an annual carbon pollution liability of \$625,000. As permits are removed from the market, the permit price will increase, along with the overall carbon pollution liability.

Based on the EMRC presentation at the WMAA seminar, a landfill of typically 60,000 tonnes may meet the Single Facility threshold. Hence \$625,000 could represent a \$10/tonne cost for each tonne of waste received over the weighbridge. With the wide range of assumptions included in any liability calculation, this value can only be taken as indicative. Note that the EMRC modelling results in a permit range of \$10 to \$40 per tonne of waste.

Options exists to purchase permits when the waste is received or when the emissions are generated or at any time between. The timing of the purchase of permits may have a significant impact on the price paid.

Permit prices have the potential to be influenced by the following:

- Supply and demand
- Price cap applied by government over the short term
- International permit costs and exchange rates
- Futures trading (potentially the largest impact)

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The Mindarie Regional Council has commenced the process of planning for the purchase of carbon pollution permits.

Initial advice is to monitor legislated requirements and also discuss permit purchasing processes with banks.

#### Mindarie Regional Council Exposure

The Mindarie Regional Council is aware that there are potentially significant financial impacts as a result of the implementation of a CPRS and an associated emissions trading scheme.

The Mindarie Regional Council exposure is two-fold:

1. Member councils could be incurring significant liabilities for every tonne of waste being delivered to Tamala Park, including all historical waste as a result of legacy waste being included in emissions calculations.
2. Casual customers – the Mindarie Regional Council has no recourse back to the casual customers for any historical or future liabilities resulting from the CPRS. Consequently the Mindarie Regional Council is to be aware that some of the historical and future “surplus” from casual customers may need to be utilised to cover future CPRS liabilities.

#### Current Actions – Data Collection

With the implementation of the NGERS, and the possible inclusion of local governments in this scheme, the Mindarie Regional Council has commenced the collection of relevant data on greenhouse gas emissions resulting from all Mindarie Regional Council activities (diesel/landfill gas/electricity). The first NGERS report is due for submission at the end of the 2008/2009 financial year. In anticipation of possible future reporting, the Mindarie Regional Council has developed a model for recording the relevant data.

One significant aspect for the landfill industry is that emissions from the landfill (landfill gas) are based on theoretical models which default a maximum of 75% gas collection efficiency and hence 25% emissions to the atmosphere. This results in significant negative emissions for the Mindarie Regional Council (and other landfills).

#### Future Strategy

With the implementation of the NGERS and the fact that the Mindarie Regional Council may be included in a carbon trading scheme the following strategy has been developed:

- Maximise waste diversion from landfill
- Development of RRF (waste diversion)
- Maximise landfill gas extraction
- Participate in a study to measure landfill gas emissions
- Closely monitor developments with the NGERS and CPRS
- Work with WALGA on waste industry submissions in response to the Federal & State Government paper on the CPRS
- Liaise closely with other metropolitan landfills to understand more about the potential affects of a CPRS and how best to develop a future strategy

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Future Actions/Milestones

- Set ground rules framework for the way forward
- With the waste sector being included:
  - Work through detail as information becomes available
  - Utilise appropriate consultants to provide guidance
  - Participate in research to determine fugitive landfill gas emissions
  - Continue to assess financial impact to the Mindarie Regional Council
  - Work to reduce carbon emissions and hence reduce carbon trading liability
  - Determine the future impact on the landfill gas management contract (due for renewal July 2011)

**CONSULTATION**

- WALGA
- Freehills
- Eastern Metropolitan Regional Council
- WMAA
- DEC

**STATUTORY ENVIRONMENT**

Currently nil.

Potential future statutory requirement to participate in a carbon trading scheme.

**POLICY IMPLICATIONS**

Nil.

**STRATEGIC IMPLICATIONS**

Nil.

**FINANCIAL IMPLICATIONS**

Currently nil.

Potential significant financial impacts with the waste sector included in a carbon trading scheme. The financial impact will be dependant on:

- Dollar value of carbon credits
- Methodology for calculating landfill gas emissions
- Mindarie Regional Council ability to reduce carbon emission

### **TECHNICAL WORKING GROUP – 9 APRIL 2009**

The group identified the need for quantitative data relating to potential cost of a carbon trading scheme to the council.

### **RECOMMENDATION**

#### **That Council:**

- (i) receive this Carbon Trading Update report dated 23 April 2009**
- (ii) note the plan to provide quantitative analysis of the potential financial impact of the CPRS to the July Ordinary Council Meeting**

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**ITEM 5                    STRATEGIC WASTE MINIMISATION PLAN – FUNDED PROJECTS –  
ADDITIONAL PROJECT INFORMATION**

**File No:**                **WST/104**

**Attachment(s):**    **Nil.**

**Author:**                **Ian Watkins**

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**SUMMARY**

The purpose of this report is to provide Council with further details on the proposed waste minimisation projects to be undertaken this calendar year utilising funding available from the Waste Authority.

**BACKGROUND**

At the Ordinary Council Meeting held on 5 March 2009, Item 8.2.5 was tabled requesting Council's approval of seven funded projects under the DEC Regional Investment Plan. At this meeting Council approved all seven projects; however, requested that the Administration provide further information on each of the projects.

**DETAIL**

As requested, the following additional information is provided on the seven approved funded projects:

**Project 1 - Bulk Waste Recycling (\$160,000)**

This project will provide data for a number of the other waste minimisation projects. The intention is to:

- Audit the bulky type waste delivered by commercial contractors, council commercial collections, council verge hardwaste and that delivered by residents and small businesses in trailers.
- Research and identify best practice recycling recovery practice/technology at Transfer Stations and landfills and develop design concepts for Tamala Park and Recycling Centre of Balcatta Transfer Stations.

The information collected in this project will identify products and techniques that could be used to:

- Identify materials suitable for recycling;
- Identify the proportion of inert materials that could be better disposed of in a class 1 landfill site instead of Tamala Park
- Allow for the reconfiguration of hardwaste verge collections
- Justify the reconfiguration of the recycling and tipping processes used at Tamala Park
- Conceptualise the concepts for the receipt, recovery and removal of recyclable materials at Tamala Park and the Recycling Centre of Balcatta.

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The techniques to be used are based around the use of:

- Hired excavators to pick through the waste from various sources delivered to Tamala Park and the Recycling Centre of Balcatta and to identify the main categories of materials in the stream
- Consultants to evaluate the content of smaller vehicles
- Staff/consultants to conduct questionnaire's of clients delivering larger and regular loads

### **Project 2 - Public Place and Event Recycling (\$20,000)**

This topic is currently being addressed by the members of Waste Education Strategic Steering Group. The major emphasis is on litter and recycling at events.

Key elements of the project include:

- Trialling various collection systems to evaluate their impact on waste recovery (viz littering) and the separation of materials. Subject to timing it may include trialling the "wet/dry bin concept"
- Developing and trialling model procedures for managing the packaging used by stall holders at events
- Trialling the use of a reverse vending machine to determine its suitability for litter management and recycling in a public environment

The information collected in this project will result in the development of model and uniform litter management procedures for use in public and privately managed events throughout the Mindarie Regional Council catchment.

### **Project 3 - Local Government Infrastructure Waste Recycling (\$20,000)**

This project is aimed at Local Government engineering and parks waste streams.

Key elements of the project include:

- Identify cost effective processes and markets for recycling waste
- Identify ways that members can share resources and assist each other
- Collaborate and let shared contracts to obtain economies of scale and encourage private investment in construction waste recycling

The techniques to be used are based around the use of:

- Identifying recycling champions among the group
- Sharing knowledge
- Calling for expressions of interest for new methods based on combined tenders
- Using an independent administration officer to coordinate the collaborative effort.

### **Project 4 - Transport and Haulage Methodologies (\$50,000)**

This project is aimed at reviewing the logistics of current and future waste and recycling transport with a view to reducing the carbon and other environmental emissions

Key elements of the project include:

- Identifying the transport logistics used by members to get waste and recyclables to their final disposal point, comparing the time spent collecting and transporting waste materials
- Identify where future drop off points may be and model the impact on transport logistics and collection efficiencies

- 
- Identify the optimum transport logistics for the carriage of waste by “rubbish” collection vehicles, semi trailer vehicles using Transfer Stations and the role of road trains in transporting waste from transfer stations
  - Identify the impact of placing Alternative Waste Technology plants closer to the point of collection
  - Identify the need for new transfer stations and for changes to existing transfer station design
  - Compare all emissions for each scenario

The techniques to be used are based around:

- Evaluation of current transport costs, performance and emissions for current and future operations
- Conducting desk top modelling of optimum transport models
- Evaluation of the role of pre-sorting of waste prior to transport to downstream facilities based on the waste audit data gathered from project 1 above

### **Project 5 - Two Bin Recycling - Wet and Dry Bin Investigation (\$100,000)**

This project will evaluate a new wheelie bin based collection regime for waste from households, relevant commercial premises and public events that separates waste in to an organic (wet) and inorganic (dry) waste streams; with the object of reducing contamination and setting up collection systems that will cater for future growth in the range of inert materials being recycled.

Key elements of the project include:

- Research current similar projects undertaken by other Metropolitan regional councils
- Purchase new wheelie bins and kitchen tidies; distribute these to a select number of households and commercial premises.
- Request participants to sort organics from the rest of the waste stream and place them in the organic bin
- Request participants to place all other (being inert and paper) materials in the “other” bin

The techniques to be used are based around the use of:

- Community focus groups to identify current problems, perceptions and knowledge of collections and recycling
- Engage suitable contractors to conduct collections of the new waste streams and other contractors to process the organic fraction and inert fraction
- Audit the organic waste stream for contamination by inert materials
- Audit the inert waste stream for contamination by organics, medicines and Household Hazardous Waste
- Process the inert waste stream through a conventional Alternative Waste Technology to determine the impact on operations.
- Conduct post trial evaluations with all participants

### **Project 6 - Bulk Verge Waste Review (\$20,000)**

This project seeks to optimise the amount of materials recovered for recycling and to optimise the current methods used to collect bulky wastes.

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Key elements of the project include:

- Desk top review of collection systems including council hardwaste, the role of contractors (direct with householder) and self haul using trailers.
- Evaluate the role of charity collections in conjunction with verge collections

The techniques to be used are based around the use of:

- Measure ratepayer's perceptions of verge collections from Local Government "satisfaction" surveys and by direct survey as appropriate
- Interviews of ratepayers and contractors delivering bulky waste
- Evaluate the results of the characterisation of bulky waste (project 1)
- Conduct trial (verge) collections of selected waste types to determine the recycling potential of bulky waste
- Introduce the use of charity collections for reuse and special materials

### **Project 7 - Project Management (\$30,000)**

This project will seek funding to cover the costs associated with managing of the above six projects. Typical activities would include:

- Project organisation and coordination
- Project scoping and implementation
- Project monitoring
- Project reporting
- Financial management and accountability.

### **CONSULTATION**

Consultation has occurred with the following groups:

DEC

TWG

### **STATUTORY ENVIRONMENT**

Not applicable.

### **POLICY IMPLICATIONS**

Not applicable.

### **STRATEGIC IMPLICATIONS**

Waste minimisation activities are consistent with Objective One of the Council's Strategic Plan 2004 – 2009 Develop & implement resource management programmes (landfill, recycling, reuse, resource recovery).

### **FINANCIAL IMPLICATIONS**

The DEC has allocated \$400,677 of Regional Funding to the MRC for the implementation of projects identified in the draft MRC SWMP.

The proposed projects are estimated to cost approximately \$400,000; hence all costs in carrying out the proposed work are covered by available DEC funding.

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Should any additional waste minimisation activities be identified, funding for these projects could be covered by funds remaining from the development of the MRC SWMP (\$80k) or included in future waste minimisation funding applications.

**COMMENT**

Nil.

**TECHNICAL WORKING GROUP – 9 APRIL 2009**

The group identified the need for regular progress reports to be provided to Council. This is to be achieved by the insertion of a section in the CEO Business Report.

**RECOMMENDATION**

**That Council:**

- (i) note the additional information provided on the seven funded projects approved by Council as part of Agenda Item 8.2.5 at the Ordinary Council Meeting of 5 March 2009**
- (ii) note the plan to present regular progress reports in the CEO Business Report**

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**ITEM 8.2.1            FINANCIAL STATEMENTS FOR THE PERIODS ENDED  
31 JANUARY 2009 AND 28 FEBRUARY 2009**

**File No:                FIN/5-02**

**Attachment(s):      1. Financial Statement for the period ended 31 January 2009  
2. Financial Statement for the period ended 28 February 2009**

**Author:                Kalwant Dhillon**

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**SUMMARY**

The purpose of this report is to provide financial reporting to meet statutory requirements and to provide useful information to stakeholders of the Council.

**BACKGROUND**

Financial Statements as at 31 January 2009 and 28 February 2009 are attached and show separate columns for Actual and Adopted/Revised Budget figures.

Reporting requirements are defined by regulations 34 and 35 of the Local Government (Financial Management) Regulations 1996. There is scope in these regulations to provide other reporting that the Local Government considers appropriate.

The financial statements presented for each month consist of:

- Operating Statement by Nature
- Operating Statement by Function
- Statement of Financial Position
- Statement of Investing Activities
- Information on Borrowings

**DETAIL**

The reports attached are for the months ended 31 January 2009 and 28 February 2009 and are at Attachments One and Two to this Item.

- **Statement of Income and Expenditure.** Pages 2 to 3 of the Attachment. These statements have been adjusted to include a number of year-to-date estimates that are not finalised until the end of the financial year. These are as follows:
  - Deferred Excavation Consumed
  - Site Rehabilitation Provision
  - Site Monitoring Provision

These are based on the estimated rates per tonne calculated with reference to estimated excavation cost of various stages of the landfill and the life of the landfill. An adjustment is made (if necessary) at the end of the year based on a survey carried out to assess the "air space" remaining.

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- **Operating Statements by Function and Type.** At page 4 of the Attachment. This shows a summary of operating income and expenditures. The Operating Statement by Function may be useful to the reader as a snapshot of the business operations

A complete suite of Financial Statements including Operating Statement and Statement of Financial Position are reported on a monthly basis and include accruals that may be based on estimates to provide meaningful reporting to stakeholders. These reports are at Attachment One and Two to this Item.

#### **RECOMMENDATION**

**That the Financial Statements as attached at Attachment One and Two for the months ended 31 January 2009 and 28 February 2009 be noted.**

**ATTACHMENT ONE**  
**TO ITEM 8.2.1**  
**ORDINARY COUNCIL MEETING**  
**23 APRIL 2009**  
**FINANCIAL STATEMENT FOR THE PERIOD ENDED**  
**31 JANUARY 2009**



# **MANAGEMENT FINANCIAL STATEMENTS**

**FOR THE MONTH ENDED  
31 JANUARY 2009**

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

Description	Adopted Budget	Revised Budget	YTD Budget	YTD Actual	\$ Variance	% Variance	Note
<b>Revenue form Ordinary Activities</b>							
<b>User Charges</b>							
User Charges - City of Perth	983,800	983,800	573,883	464,461			
User Charges - City of Waneroo	4,136,900	4,136,900	2,413,192	2,466,932			
User Charges - City of Joondalup	3,580,200	3,580,200	2,088,450	2,030,983			
User Charges - City of Stirling	4,942,300	4,942,300	2,883,008	3,293,778			
User Charges - Town of Cambridge	710,900	710,900	414,692	338,849			
User Charges - Town of Vincent	759,300	759,300	442,925	461,894			
User Charges - Town of Victoria Park	782,200	782,200	456,283	425,014			
<b>Total Member User Charges</b>	<b>15,895,600</b>	<b>15,895,600</b>	<b>9,272,433</b>	<b>9,481,912</b>	<b>209,479</b>	<b>2.26%</b>	
User Charges - City of South Perth	279,500	779,500	454,713	647,599	192,886	42.42%	
User Charges - Casual Tipping Fees	3,636,400	3,636,400	2,121,231	2,691,788	570,557	26.90%	
<b>Total User Charges</b>	<b>19,811,500</b>	<b>20,311,500</b>	<b>11,848,377</b>	<b>12,821,299</b>	<b>972,922</b>	<b>8.21%</b>	
<b>Service Charges</b>							
Sale of Recyclable Materials	350,000	240,000	140,000	173,625	33,625	24.02%	
Gas Power Generation Sales	450,000	550,000	262,498	550,903	288,405	109.87%	
Grants & Subsidies	73,000	73,000	0	20,327	20,327		
Contributions, Reimbursements & Donations	220,400	220,400	120,821	132,848	12,027	9.95%	
Interest Earnings	544,100	644,100	375,718	465,090	89,372	23.79%	
Other Revenue	10,200	10,200	5,950	3,541	(2,409)	-40.48%	
	<b>21,459,200</b>	<b>22,049,200</b>	<b>12,753,364</b>	<b>14,167,633</b>	<b>1,414,269</b>	<b>11.09%</b>	
<b>Expenses from Ordinary Activities</b>							
Employee Costs	3,746,540	3,814,540	2,228,980	2,071,847	157,132	7.05%	
<b>Materials and Contracts</b>							
Consultants and Contract Labour	581,500	581,500	339,208	275,857	63,351	18.68%	
Communications and Public Consultation	663,600	661,600	369,300	317,379	51,921	14.06%	
Landfill Expenses	784,000	1,080,000	674,508	448,861	225,647	33.45%	
Office Expenses	326,850	328,850	180,857	175,488	5,369	2.97%	
Information Systems	314,800	374,800	278,130	236,144	41,987	15.10%	
Building Maintenance	82,900	82,900	48,358	44,112	4,246	8.78%	
Plant and Equipment Operating and Hire	1,191,800	967,800	602,221	514,723	87,499	14.53%	
Utilities	101,600	101,600	59,267	63,274	(4,007)	-6.76%	
Depreciation	1,196,777	1,196,777	698,120	483,941	214,179	30.68%	
Borrowing Cost Expenses	1,506,400	1,506,400	878,733	770,570	108,164	12.31%	
Insurance	127,900	127,900	74,608	67,589	7,019	9.41%	
DEP Landfill Levy	2,469,800	2,469,800	1,440,717	1,452,450	(11,733)	-0.81%	
Land Lease/Rental	600,000	600,000	350,000	320,092	29,908	8.55%	
<b>Other Expenditure</b>							
Member Costs	101,200	151,500	81,167	63,575	17,592	21.67%	
Administration	151,000	151,000	94,755	95,531	(776)	-0.82%	
Amortisation (LandFill)	4,837,500	4,837,500	2,821,875	2,821,875	0	0.00%	
	<b>18,784,167</b>	<b>19,034,467</b>	<b>11,220,805</b>	<b>10,223,308</b>	<b>997,497</b>	<b>8.89%</b>	
Profit on Sale of Assets	7,948	7,948	7,948	7,000	(948)	0.00%	
Loss on Sale of Assets	0	0	0	0	0	0.00%	
	<b>7,948</b>	<b>7,948</b>	<b>7,948</b>	<b>7,000</b>	<b>(948)</b>	<b>0.00%</b>	
<b>Changes in Net Assets Resulting from Operations</b>	<b>2,682,981</b>	<b>3,022,681</b>	<b>1,540,507</b>	<b>3,951,325</b>	<b>2,410,818</b>	<b>156.50%</b>	

**Mindarie Regional Council**

**INCOME STATEMENT BY DEPARTMENT**

For the month ended 31 January 2009

Description	Adopted Budget	Revised Budget	YTD Budget	YTD Actual	\$ Variance	% Variance
<b>Revenues from Ordinary Activities</b>						
<b>Operating Revenues</b>						
Community Ammenties	21,459,200	21,949,200	12,753,364	14,167,633	1,414,269	11.09%
<b>Total Operating Revenues</b>	<b>21,459,200</b>	<b>21,949,200</b>	<b>12,753,364</b>	<b>14,167,633</b>	<b>1,414,269</b>	<b>11.09%</b>
<b>Profit on Disposal of Assets</b>						
Community Ammenties	7,948	7,948	7,948	7,000	(948)	-11.93%
<b>Total Profit (Loss) on Disposal of Assets</b>	<b>7,948</b>	<b>7,948</b>	<b>7,948</b>	<b>7,000</b>	<b>(948)</b>	<b>-11.93%</b>
<b>Expenses from Ordinary Activities</b>						
<b>Operating Expenses</b>						
Governance	101,200	151,500	81,167	63,925	17,242	21.24%
Community Ammenties	15,984,767	16,408,767	9,658,684	8,687,465	971,219	10.06%
Other Property and Sevices	1,191,800	967,800	602,221	701,349	(99,127)	-16.46%
<b>Total Operating Expenses</b>	<b>17,277,767</b>	<b>17,528,067</b>	<b>10,342,072</b>	<b>9,452,739</b>	<b>889,333</b>	<b>8.60%</b>
<b>Loss on Disposal of Assets</b>						
Community Ammenties	0	0	0	0	0	
<b>Total Profit (Loss) on Disposal of Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Borrowing Costs Expense</b>						
Community Ammenties	1,506,400	1,506,400	878,733	770,570	108,164	12.31%
<b>Total Borrowing Costs Expense</b>	<b>1,506,400</b>	<b>1,506,400</b>	<b>878,733</b>	<b>770,570</b>	<b>108,164</b>	<b>12.31%</b>
<b>NET RESULT</b>	<b>2,682,981</b>	<b>2,922,681</b>	<b>1,540,507</b>	<b>3,951,325</b>	<b>2,410,818</b>	<b>156.50%</b>

**Mindarie Regional Council**  
**Balance Sheet**  
For the month ended 31 January 2009

Description	ACTUAL 2008/2009	Movement	ACTUAL 2007/2008	Note
<b>CURRENT ASSETS</b>				
Cash	1,581,279	(1,400,046)	2,981,325	
Investments	11,023,570	1,561,792	9,461,778	
Debtors	3,099,892	751,009	2,348,883	
Stock	55,044	39,173	15,871	
Prepayments	175,378	(81,650)	257,028	
Other Current Assets	441,172	128,363	312,809	
<b>TOTAL CURRENT ASSETS</b>	<b>16,376,336</b>	<b>998,642</b>	<b>15,377,694</b>	
<b>NON-CURRENT ASSETS</b>				
Land	2,658,127	0	2,658,127	
Buildings & Improvements	1,774,222	485,183	1,289,039	
Furniture & Equipment	318,030	94,945	223,085	
Plant & Equipment	2,497,246	58,279	2,438,967	
Infrastructure - Other	494,428	(13,155)	507,583	
Infrastructure - Excavation	12,266,452	(2,821,875)	15,088,327	
Infrastructure - Rehabilitation	2,832,719	0	2,832,719	
Work In Progress - Excavation	5,502,801	2,150,935	3,351,866	
Work In Progress - RRF	6,341,905	719,032	5,622,873	
<b>TOTAL NON-CURRENT ASSETS</b>	<b>34,685,931</b>	<b>673,345</b>	<b>34,012,586</b>	
<b>TOTAL ASSETS</b>	<b>51,062,266</b>	<b>1,671,986</b>	<b>49,390,280</b>	
<b>CURRENT LIABILITIES</b>				
Creditors	1,404,885	(679,963)	2,084,848	
Provisions	439,435	13,802	425,633	
Loans Leases Overdrafts	1,032,414	(1,273,792)	2,306,206	
Accruals	351,349	(453,526)	804,875	
Other Current Liabilities	0	0	0	
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,228,082</b>	<b>(2,393,480)</b>	<b>5,621,562</b>	
<b>NON CURRENT LIABILITIES</b>				
Loans Leases Overdrafts	18,872,976	0	18,872,976	
Other Non Current Liabilities	4,627,370	28,036	4,599,334	
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>23,500,347</b>	<b>28,037</b>	<b>23,472,310</b>	
<b>TOTAL LIABILITIES</b>	<b>26,728,429</b>	<b>(2,365,443)</b>	<b>29,093,872</b>	
<b>NET ASSETS</b>	<b>24,333,838</b>	<b>4,037,430</b>	<b>20,296,408</b>	
<b>EQUITY</b>				
Retained Surplus	22,141,959	3,951,325	18,190,634	
Reserves	137,999	0	137,999	
Council Contribution	2,053,880	86,105	1,967,775	
<b>TOTAL EQUITY</b>	<b>24,333,838</b>	<b>4,037,430</b>	<b>20,296,408</b>	

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

Description	Adopted Budget	Revised Budget	YTD Actual	% to Revised Budget
<b>PLANT AND VEHICLES</b>				
<b>Plant and Vehicles</b>				
Land Compactor	1,500,000	1,500,000	0	
Forklift 2.5 Tonne	35,000	30,000	29,500	98.33%
Welder's Vehicle	28,000	0	0	
Hook Lift Bin Truck (second bin truck)	256,000	190,000	187,427	98.65%
	<b>1,819,000</b>	<b>1,720,000</b>	<b>216,927</b>	<b>12.61%</b>
<b>Machinery and Equipment</b>				
3x Fire Hose Reels to Recycling Centre	3,500	3,500	0	
Upgrade Washdown Bay Bore Pump	10,200	10,200	0	
3x Dust Monitoring Stations	73,000	53,000	52,468	99.00%
Radiation Monitoring Station	40,000	40,000	1,041	2.60%
Sheet Metal Bending Machine	36,000	5,000	0	
Bench Grinding Machine	1,800	1,800	0	
Plasma Cutter	7,300	7,300	4,988	68.33%
5x Handheld 2-way Radio	4,400	4,400	3,050	69.32%
6x UHF Radio	1,500	1,500	2,250	150.00%
3x Vehicle 2-way Radio	3,600	3,600	0	
Dangerous Goods Locker	2,500	2,500	0	
2x Portable Water Cannon	2,300	3,300	0	
PA System - Recycling Centre	1,000	1,000	960	96.00%
Generator Upgrade	100,000	100,000	98,750	98.75%
	<b>287,100</b>	<b>237,100</b>	<b>163,507</b>	<b>68.96%</b>
<b>TOTAL PLANT AND VEHICLES</b>	<b>2,106,100</b>	<b>1,957,100</b>	<b>380,434</b>	<b>19.44%</b>
<b>FURNITURE AND EQUIPMENTS</b>				
<b>Computer Equipment</b>				
Replacement of Sapphire - HR/Payroll	2,000	2,000	1,097	54.86%
Replacement of Tourmaline - Mgr Finance	6,000	6,000	3,653	60.88%
Replacement of Chrysoberyl - Records	2,000	2,000	1,097	54.86%
Replacement of Corundum - OHS	2,000	2,000	1,097	54.86%
Replacement of Kyanite - Governance	2,000	2,000	0	
Purchase of new PC - Finance	2,000	2,000	1,003	50.15%
Replace Printers and Computing Equipments	20,000	20,000	11,217	56.09%
2x Gate Control Units	25,000	28,000	27,800	99.29%
Surveillance and Boom Gate, Etc	15,000	15,000	0	
Mobile PDA and Touchscreen	10,000	10,000	6,900	69.00%
	<b>86,000</b>	<b>89,000</b>	<b>53,865</b>	<b>60.52%</b>
<b>Office Furniture and Equipment</b>				
New Furniture and Fittings - Admin Building	80,000	80,000	75,466	94.33%
<b>TOTAL PLANT AND VEHICLES</b>	<b>166,000</b>	<b>169,000</b>	<b>129,331</b>	<b>76.53%</b>
<b>LAND AND BUILDINGS</b>				
<b>Land</b>				
Land	12,300,000	12,300,000	0	
	<b>12,300,000</b>	<b>12,300,000</b>	<b>0</b>	<b>0.00%</b>

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

Description	Adopted Budget	Revised Budget	YTD Actual	% to Revised Budget
<b>BUILDING</b>				
<b>Building</b>				
Toilet Facilities-House, Recycling & Transfer Stn	43,000	0	0	
Replacement of Pergola	11,200	16,200	0	
Education Centre Building	21,000	16,000	0	
Workshop Extension (Welding Bay)	120,000	120,000	0	
Workshop Floor Replacement (New concrete works)	12,000	12,000	0	
Administration Building Extension	405,000	430,000	405,000	94.19%
Recycling Centre and Transfer Station Upgrade	209,000	209,000	170,223	81.45%
	<b>821,200</b>	<b>803,200</b>	<b>575,223</b>	<b>71.62%</b>
<b>TOTAL LAND AND BUILDINGS</b>	<b>13,121,200</b>	<b>13,103,200</b>	<b>575,223</b>	<b>4.39%</b>
<b>INFRASTRUCTURE</b>				
<b>Operations</b>				
Boundary Fence	8,400	8,400	8,450	100.60%
Installation of Barrier Fencing	15,200	15,200	15,755	103.65%
	<b>23,600</b>	<b>23,600</b>	<b>24,205</b>	<b>102.56%</b>
<b>Resource Recovey Facility</b>				
Legal Fees	50,000	99,525	62,909	
Financial and Probity Fees	20,000	20,000	0	
Insurance Review	10,000	10,000	0	
Superintendent and Management Fees	120,000	172,510	2,160	
Community Consultation	28,000	42,970	11,855	
Project Manager	42,000	64,240	38,147	
Site Infrastructures	1,330,000	2,625,045	603,962	
Other	0	8,860	0	
	<b>1,600,000</b>	<b>3,043,150</b>	<b>719,032</b>	<b>23.63%</b>
<b>LANDFILL EXCAVATIONS</b>				
<b>Excavation - Phase 3 Stage 2</b>				
Superintendent Fees	90,000	90,000	0	
Design	90,000	90,000	12,118	
Excavation	7,000,000	7,000,000	2,057,471	
MRC Project Manager	50,000	50,000	7,437	
Siteworks, Survey Etc	20,000	20,000	19,498	
	<b>7,250,000</b>	<b>7,250,000</b>	<b>2,096,523</b>	<b>28.92%</b>
<b>Stage1 to Stage2 Tie-in</b>				
Construction and Lining	1,850,000	1,850,000	10,513	
Superintendent Fees	60,000	60,000	32,998	
Design	60,000	60,000	0	
MRC Project Manager	20,000	20,000	7,276	
Siteworks, Survey Etc	10,000	10,000	3,625	
	<b>2,000,000</b>	<b>2,000,000</b>	<b>54,412</b>	<b>2.72%</b>
<b>TOTAL LANDFILL EXCAVATIONS</b>	<b>9,250,000</b>	<b>9,250,000</b>	<b>2,150,935</b>	<b>23.25%</b>

**INFORMATION ON BORROWINGS**

(a) Loan Repayments

**Actual**

	Value of Loan Approved	Matures	Interest Rates	Principal 01/07/2008 to 31/01/2009	Principal Drawn Down to 31/01/2009	Principal Repayments Actual to 31/01/2009	Principal Outstanding Actual to 31/01/2009	Interest Repayments Actual to 31/01/2009
<b>Community Amenities</b>								
<b>Tamala Park Landfill</b>								
Loan 8 - Building Upgrade	650,000	May-14	6.45%	438,424	0	30,747	407,676	15,816
Loan 9 - Stage 2 Phase 2 Construction	2,000,000	Nov-08	5.78%	275,477	0	275,477	(0)	3,926
Loan 12 - Construction Stage 2 Phase 2	15,000,000	Mar-12	5.98%	12,916,649	0	833,339	12,083,310	435,723
<b>Regional Resource Recovery Facility</b>								
Loan 11 - RRF Land Purchase	3,500,000	May-25	5.97%	2,117,951	0	86,105	2,031,846	72,662
Loan 10 - RRF Infrastructure	2,000,000	Mar-25	6.16%	1,830,682	0	48,124	1,782,558	65,105
Loan 10b - RRF Infrastructure (Interest Only)	2,600,000		Variable	2,600,000	0	0	2,600,000	102,549
Loan 10c - RRF Infrastructure (Interest Only)	4,000,000		Variable	1,000,000	0	0	1,000,000	40,205
<b>TOTAL</b>	<b>29,750,000</b>			<b>21,179,182</b>	<b>0</b>	<b>1,273,792</b>	<b>19,905,390</b>	<b>735,986</b>
Facility Fee								<b>34,584</b>
								<b>770,570</b>

**Total Borrowing Costs**

Note: Loan 10b - \$2,600,000 has a variable rate of 4.70% for the month of January 2009

Loan 10c - \$1,000,000 has a variable rate of 4.35% for the month of January 2009 but interest is fixed  
is fixed from 1 July 2009 once the Loan is fully drawn down as part of the  
initial loan arrangements in June 2008.

**ATTACHMENT TWO**  
**TO ITEM 8.2.1**  
**ORDINARY COUNCIL MEETING**  
**23 APRIL 2009**  
**FINANCIAL STATEMENT FOR THE PERIOD ENDED**  
**28 FEBRUARY 2009**



# **MANAGEMENT FINANCIAL STATEMENTS**

**FOR THE MONTH ENDED  
28 FEBRUARY 2009**

**Mindarie Regional Council**  
**INCOME STATEMENT BY NATURE AND TYPE**  
For the month ended 28 February 2009

Description	Adopted Budget	Revised Budget	YTD Budget	YTD Actual	\$ Variance	% Variance	Note
<b>Revenue from Ordinary Activities</b>							
<b>User Charges</b>							
User Charges - City of Perth	983,800	983,800	655,867	526,693			
User Charges - City of Wanneroo	4,136,900	4,136,900	2,757,933	2,757,497			
User Charges - City of Joondalup	3,580,200	3,580,200	2,386,800	2,344,632			
User Charges - City of Stirling	4,942,300	4,942,300	3,294,867	3,683,230			
User Charges - Town of Cambridge	710,900	710,900	473,933	378,120			
User Charges - Town of Vincent	759,300	759,300	506,200	515,798			
User Charges - Town of Victoria Park	782,200	782,200	521,467	474,884			
<b>Total Member User Charges</b>	<b>15,895,600</b>	<b>15,895,600</b>	<b>10,597,067</b>	<b>10,680,855</b>	<b>83,788</b>	<b>0.79%</b>	
User Charges - City of South Perth	279,500	779,500	519,672	775,692	256,020	49.27%	
User Charges - Casual Tipping Fees	3,636,400	3,636,400	2,424,264	2,998,808	574,544	23.70%	
<b>Total User Charges</b>	<b>19,811,500</b>	<b>20,311,500</b>	<b>13,541,003</b>	<b>14,455,355</b>	<b>914,352</b>	<b>6.75%</b>	
<b>Service Charges</b>							
Sale of Recyclable Materials	350,000	240,000	160,000	185,715	25,715	16.07%	
Sale of Limestone	0	0	0	943	943		
Gas Power Generation Sales	450,000	550,000	366,661	550,903	184,242	50.25%	
Grants & Subsidies	73,000	73,000	36,500	56,836	20,336	55.71%	
Contributions, Reimbursements & Donations	220,400	220,400	128,971	132,848	3,877	3.01%	
Interest Earnings	544,100	644,100	429,392	511,087	81,695	19.03%	
Other Revenue	10,200	10,200	6,800	11,591	4,791	70.46%	
	<b>21,459,200</b>	<b>22,049,200</b>	<b>14,669,327</b>	<b>15,905,278</b>	<b>1,235,951</b>	<b>8.43%</b>	
<b>Expenses from Ordinary Activities</b>							
Employee Costs	3,746,540	3,814,540	2,542,677	2,372,315	170,362	6.70%	
<b>Materials and Contracts</b>							
Consultants and Contract Labour	581,500	581,500	387,667	313,488	74,179	19.13%	
Communications and Public Consultation	663,600	661,600	397,700	330,960	66,740	16.78%	
Landfill Expenses	784,000	1,080,000	750,408	541,578	208,830	27.83%	
Office Expenses	326,850	328,850	216,251	202,747	13,503	6.24%	
Information Systems	314,800	374,800	297,463	277,378	20,085	6.75%	
Building Maintenance	82,900	82,900	55,267	49,454	5,812	10.52%	
Plant and Equipment Operating and Hire	1,191,800	967,800	670,205	591,392	78,814	11.76%	
Utilities	101,600	101,600	67,733	72,677	(4,944)	-7.30%	
Depreciation	1,196,777	1,196,777	797,851	570,714	227,137	28.47%	
Borrowing Cost Expenses	1,506,400	1,506,400	1,004,267	855,944	148,323	14.77%	
Insurance	127,900	127,900	85,267	77,066	8,201	9.62%	
DEP Landfill Levy	2,469,800	2,469,800	1,646,533	1,638,612	7,922	0.48%	
Land Lease/Rental	600,000	600,000	400,000	365,820	34,180	8.55%	
<b>Other Expenditure</b>							
Member Costs	101,200	151,500	86,583	63,575	23,008	26.57%	
Administration	151,000	151,000	107,339	100,753	6,586	6.14%	
Amortisation (LandFill)	4,837,500	4,837,500	3,225,000	3,225,000	0	0.00%	
	<b>18,784,167</b>	<b>19,034,467</b>	<b>12,738,211</b>	<b>11,649,473</b>	<b>1,088,738</b>	<b>8.55%</b>	
Profit on Sale of Assets	7,948	7,948	7,948	7,000	(948)	0.00%	
Loss on Sale of Assets	0	0	0	0	0	0.00%	
	<b>7,948</b>	<b>7,948</b>	<b>7,948</b>	<b>7,000</b>	<b>(948)</b>	<b>0.00%</b>	
<b>Changes in Net Assets Resulting from Operations</b>	<b>2,682,981</b>	<b>3,022,681</b>	<b>1,939,064</b>	<b>4,262,805</b>	<b>2,323,741</b>	<b>119.84%</b>	

**Mindarie Regional Council**  
**INCOME STATEMENT BY DEPARTMENT**  
 For the month ended 28 February 2009

Description	Adopted Budget	Revised Budget	YTD Budget	YTD Actual	\$ Variance	% Variance
<b>Revenues from Ordinary Activities</b>						
<b>Operating Revenues</b>						
Community Ammenties	21,459,200	22,049,200	14,669,327	15,905,278	1,235,951	8.43%
<b>Total Operating Revenues</b>	<b>21,459,200</b>	<b>22,049,200</b>	<b>14,669,327</b>	<b>15,905,278</b>	<b>1,235,951</b>	<b>8.43%</b>
<b>Profit on Disposal of Assets</b>						
Community Ammenties	7,948	7,948	7,948	7,000	(948)	-11.93%
<b>Total Profit (Loss) on Disposal of Assets</b>	<b>7,948</b>	<b>7,948</b>	<b>7,948</b>	<b>7,000</b>	<b>(948)</b>	<b>-11.93%</b>
<b>Expenses from Ordinary Activities</b>						
<b>Operating Expenses</b>						
Governance	101,200	151,500	86,583	63,925	22,658	26.17%
Community Ammenties	15,984,767	16,408,767	10,977,156	10,122,828	854,328	7.78%
Other Property and Sevices	1,191,800	967,800	670,205	606,777	63,428	9.46%
<b>Total Operating Expenses</b>	<b>17,277,767</b>	<b>17,528,067</b>	<b>11,733,944</b>	<b>10,793,530</b>	<b>940,415</b>	<b>8.01%</b>
<b>Loss on Disposal of Assets</b>						
Community Ammenties	0	0	0	0	0	
<b>Total Profit (Loss) on Disposal of Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Borrowing Costs Expense</b>						
Community Ammenties	1,506,400	1,506,400	1,004,267	855,944	148,323	14.77%
<b>Total Borrowing Costs Expense</b>	<b>1,506,400</b>	<b>1,506,400</b>	<b>1,004,267</b>	<b>855,944</b>	<b>148,323</b>	<b>14.77%</b>
<b>NET RESULT</b>	<b>2,682,981</b>	<b>3,022,681</b>	<b>1,939,064</b>	<b>4,262,805</b>	<b>2,323,741</b>	<b>119.84%</b>

**Mindarie Regional Council**  
**Balance Sheet**  
For the month ended 28 February 2009

Description	ACTUAL 2008/2009	Movement	ACTUAL 2007/2008	Note
<b>CURRENT ASSETS</b>				
Cash	1,165,137	(1,816,188)	2,981,325	
Investments	11,023,633	1,561,855	9,461,778	
Debtors	3,623,581	1,274,698	2,348,883	
Stock	64,570	48,699	15,871	
Prepayments	55,532	(201,496)	257,028	
Other Current Assets	268,245	(44,564)	312,809	
<b>TOTAL CURRENT ASSETS</b>	<b>16,200,697</b>	<b>823,003</b>	<b>15,377,694</b>	
<b>NON-CURRENT ASSETS</b>				
Land	2,658,127	0	2,658,127	
Buildings & Improvements	1,762,833	473,794	1,289,039	
Furniture & Equipment	304,665	81,580	223,085	
Plant & Equipment	2,471,086	32,119	2,438,967	
Infrastructure - Other	488,960	(18,623)	507,583	
Infrastructure - Excavation	11,863,327	(3,225,000)	15,088,327	
Infrastructure - Rehabilitation	2,832,719	0	2,832,719	
Work In Progress - Excavation	5,712,699	2,360,833	3,351,866	
Work In Progress - RRF	6,966,319	1,343,446	5,622,873	
<b>TOTAL NON-CURRENT ASSETS</b>	<b>35,060,735</b>	<b>1,048,149</b>	<b>34,012,586</b>	
<b>TOTAL ASSETS</b>	<b>51,261,432</b>	<b>1,871,152</b>	<b>49,390,280</b>	
<b>CURRENT LIABILITIES</b>				
Creditors	1,184,071	(900,777)	2,084,848	
Provisions	447,319	21,686	425,633	
Loans Leases Overdrafts	972,099	(1,334,107)	2,306,206	
Accruals	508,327	(296,548)	804,875	
Other Current Liabilities	0	0	0	
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,111,816</b>	<b>(2,509,746)</b>	<b>5,621,562</b>	
<b>NON CURRENT LIABILITIES</b>				
Loans Leases Overdrafts	18,872,976	0	18,872,976	
Other Non Current Liabilities	4,631,322	31,988	4,599,334	
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>23,504,298</b>	<b>31,988</b>	<b>23,472,310</b>	
<b>TOTAL LIABILITIES</b>	<b>26,616,115</b>	<b>(2,477,757)</b>	<b>29,093,872</b>	
<b>NET ASSETS</b>	<b>24,645,318</b>	<b>4,348,911</b>	<b>20,296,408</b>	
<b>EQUITY</b>				
Retained Surplus	22,453,438	4,262,805	18,190,634	
Reserves	137,999	0	137,999	
Council Contribution	2,053,880	86,105	1,967,775	
<b>TOTAL EQUITY</b>	<b>24,645,318</b>	<b>4,348,911</b>	<b>20,296,408</b>	

**MINDARIE REGIONAL COUNCIL**  
**STATEMENT OF INVESTING ACTIVITIES**  
**For the month ended 28 February 2009**

Description	Adopted Budget	Revised Budget	YTD Actual	% to Revised Budget
<b>PLANT AND VEHICLES</b>				
<b>Plant and Vehicles</b>				
Land Compactor	1,500,000	1,500,000	0	
Forklift 2.5 Tonne	35,000	30,000	29,500	98.33%
Welder's Vehicle	28,000	0	0	
Hook Lift Bin Truck (second bin truck)	256,000	190,000	187,427	98.65%
	<b>1,819,000</b>	<b>1,720,000</b>	<b>216,927</b>	<b>12.61%</b>
<b>Machinery and Equipment</b>				
3x Fire Hose Reels to Recycling Centre	3,500	3,500	0	
Upgrade Washdown Bay Bore Pump	10,200	10,200	0	
3x Dust Monitoring Stations	73,000	53,000	52,468	99.00%
Radiation Monitoring Station	40,000	40,000	24,087	60.22%
Sheet Metal Bending Machine	36,000	5,000	0	
Bench Grinding Machine	1,800	1,800	0	
Plasma Cutter	7,300	7,300	4,988	68.33%
5x Handheld 2-way Radio	4,400	4,400	3,050	69.32%
6x UHF Radio	1,500	1,500	2,250	150.00%
3x Vehicle 2-way Radio	3,600	3,600	0	
Dangerous Goods Locker	2,500	2,500	0	
2x Portable Water Cannon	2,300	3,300	0	
PA System - Recycling Centre	1,000	1,000	960	96.00%
Generator Upgrade	100,000	100,000	98,750	98.75%
	<b>287,100</b>	<b>237,100</b>	<b>186,553</b>	<b>78.68%</b>
<b>TOTAL PLANT AND VEHICLES</b>	<b>2,106,100</b>	<b>1,957,100</b>	<b>403,480</b>	<b>20.62%</b>
<b>FURNITURE AND EQUIPMENTS</b>				
<b>Computer Equipment</b>				
Replacement of Sapphire - HR/Payroll	2,000	2,000	1,097	54.86%
Replacement of Tourmaline - Mgr Finance	6,000	6,000	3,653	60.88%
Replacement of Chrysoberyl - Records	2,000	2,000	1,097	54.86%
Replacement of Corundum - OHS	2,000	2,000	1,097	54.86%
Replacement of Kyanite - Governance	2,000	2,000	0	
Purchase of new PC - Finance	2,000	2,000	1,995	99.74%
Replace Printers and Computing Equipments	20,000	20,000	17,570	87.85%
2x Gate Control Units	25,000	28,000	27,800	99.29%
Surveillance and Boom Gate, Etc	15,000	15,000	0	
Mobile PDA and Touchscreen	10,000	10,000	6,900	69.00%
	<b>86,000</b>	<b>89,000</b>	<b>61,209</b>	<b>68.77%</b>
<b>Office Furniture and Equipment</b>				
New Furniture and Fittings - Admin Building	80,000	80,000	75,466	94.33%
<b>TOTAL PLANT AND VEHICLES</b>	<b>166,000</b>	<b>169,000</b>	<b>136,675</b>	<b>80.87%</b>
<b>LAND AND BUILDINGS</b>				
<b>Land</b>				
Land	12,300,000	12,300,000	0	
	<b>12,300,000</b>	<b>12,300,000</b>	<b>0</b>	<b>0.00%</b>

**MINDARIE REGIONAL COUNCIL**  
**STATEMENT OF INVESTING ACTIVITIES**  
**For the month ended 28 February 2009**

Description	Adopted Budget	Revised Budget	YTD Actual	% to Revised Budget
<b>BUILDING</b>				
<b>Building</b>				
Toilet Facilities-House, Recycling & Transfer Stn	43,000	0	0	
Replacement of Pergola	11,200	16,200	0	
Education Centre Building	21,000	16,000	0	
Workshop Extension (Welding Bay)	120,000	120,000	0	
Workshop Floor Replacement (New concrete works)	12,000	12,000	0	
Administration Building Extension	405,000	430,000	405,000	94.19%
Recycling Centre and Transfer Station Upgrade	209,000	209,000	170,223	81.45%
	<b>821,200</b>	<b>803,200</b>	<b>575,223</b>	<b>71.62%</b>
<b>TOTAL LAND AND BUILDINGS</b>	<b>13,121,200</b>	<b>13,103,200</b>	<b>575,223</b>	<b>4.39%</b>
<b>INFRASTRUCTURE</b>				
<b>Operations</b>				
Boundary Fence	8,400	8,400	8,450	100.60%
Installation of Barrier Fencing	15,200	15,200	15,755	103.65%
	<b>23,600</b>	<b>23,600</b>	<b>24,205</b>	<b>102.56%</b>
<b>Resource Recovey Facility</b>				
Legal Fees	50,000	99,525	90,501	
Financial and Probity Fees	20,000	20,000	0	
Insurance Review	10,000	10,000	0	
Superintendent and Management Fees	120,000	172,510	2,160	
Community Consultation	28,000	42,970	20,395	
Project Manager	42,000	64,240	56,334	
Site Infrastructures	1,330,000	2,625,045	1,174,056	
Other	0	8,860	0	
	<b>1,600,000</b>	<b>3,043,150</b>	<b>1,343,446</b>	<b>44.15%</b>
<b>LANDFILL EXCAVATIONS</b>				
<b>Excavation - Phase 3 Stage 2</b>				
Superintendent Fees	90,000	90,000	0	
Design	90,000	90,000	12,118	
Excavation	7,000,000	7,000,000	2,243,674	
MRC Project Manager	50,000	50,000	8,999	
Siteworks, Survey Etc	20,000	20,000	19,498	
	<b>7,250,000</b>	<b>7,250,000</b>	<b>2,284,289</b>	<b>31.51%</b>
<b>Stage1 to Stage2 Tie-in</b>				
Construction and Lining	1,850,000	1,850,000	10,513	
Superintendent Fees	60,000	60,000	53,443	
Design	60,000	60,000	0	
MRC Project Manager	20,000	20,000	8,964	
Siteworks, Survey Etc	10,000	10,000	3,625	
	<b>2,000,000</b>	<b>2,000,000</b>	<b>76,544</b>	<b>3.83%</b>
<b>TOTAL LANDFILL EXCAVATIONS</b>	<b>9,250,000</b>	<b>9,250,000</b>	<b>2,360,833</b>	<b>25.52%</b>



**ITEM 8.2.2 LIST OF PAYMENTS MADE FOR THE MONTHS ENDED  
 31 JANUARY 2009 AND 28 FEBRUARY 2009**

**File No: FIN/5-02**

**Attachment(s): 1. List of payments made for the month ended 31 January 2009  
 2. List of payments made for the month ended 28 February 2009**

**Author: Kalwant Dhillon**

**SUMMARY**

The purpose of this report is to provide details of payments made during the periods identified. It is also a requirement as part of the delegation given to the Chief Executive Officer, to make payments from the Municipal Fund, that a list of payments made since the last Ordinary Council meeting be presented to Council.

**COMMENT**

The lists of payments for the months ended 31 January 2009 and 28 February 2009 are at Attachment One and Two to this Item and are presented for endorsement. Payments have been made in accordance with delegations that allow payments between meetings and are subsequently required to be presented to the next Council meeting following such payments. Further, at the Ordinary Council Meeting held on 18 February 1999, the Council delegated to the Chief Executive Officer the exercise of its power to make payments from the Municipal Fund. This delegation has been renewed upon annual reviews. In order to satisfy the requirements of Clause 13(2) of the Local Government (Financial Management) Regulations, a list of payments made must be submitted to the next Council meeting following such payments.

It should be noted that generally all payments are GST inclusive and Mindarie Regional Council is able to claim this tax as an input credit when remittance of GST collected is made each month.

Months Ended	Account	Vouchers	Amount
31 January 2009	General Municipal	2933 – 3045 DP 185 – DP 193 EFT 169B – EFT 172	\$1,951,461.47
28 February 2009	General Municipal	3046-3187 DP 194 – DP 208 EFT 173 – EFT 174	\$1,962,771.75

**RECOMMENDATION**

**That Council endorse the list of payments made, as per the delegation made to the Chief Executive Officer, for the months ended 31 January 2009 and 28 February 2009.**

**ATTACHMENT ONE**  
**TO ITEM 8.2.2**  
**ORDINARY COUNCIL MEETING**  
**23 APRIL 2009**  
**LIST OF PAYMENTS MADE FOR THE MONTH ENDED**  
**31 JANUARY 2009**

Schedule of Payment for January 2009  
 Council Meeting - 23 April 2009

Cheque Posting Date	Document No.	Description	Details	Cheque Amount
13/01/2009	2933	City of Joondalup	Lease Fee Lot 118 Marmion Avenue for February 2009	\$8,383.37
13/01/2009	2934	City of Perth	Lease Fee Lot 118 Marmion Avenue for February 2009	\$4,191.68
13/01/2009	2935	City of Stirling	Lease Fee Lot 118 Marmion Avenue for February 2009	\$16,766.73
13/01/2009	2936	City of Wanneroo	Lease Fee Lot 118 Marmion Avenue for February 2009	\$8,383.37
13/01/2009	2937	Town of Cambridge	Lease Fee Lot 118 Marmion Avenue for February 2009	\$4,191.68
13/01/2009	2938	Town of Victoria Park	Lease Fee Lot 118 Marmion Avenue for February 2009	\$4,191.68
13/01/2009	2939	Town of Vincent	Lease Fee Lot 118 Marmion Avenue for February 2009	\$4,191.68
13/01/2009	2940	HSE Control Pty Ltd	TP Environmental Management Program 2008-2009	\$8,419.22
14/01/2009	2941	AIR LIQUIDE WA PTY LTD	Gas Bottle Cylinder	\$168.88
14/01/2009	2942	ALL EARTH GROUP PTY LTD	Limestone removal	\$21,015.83
14/01/2009	2943	ARMAGUARD	Armaguard Services	\$796.38
14/01/2009	2944	Ausrecord	Stationery and Printing	\$83.16
14/01/2009	2945	BRIDGESTONE EARTHMOVER TYRES P	Supply and Fit Secondhand Tyres	\$4,542.78
14/01/2009	2946	Bunnings Building Supplies	Expendable Tools	\$842.50
14/01/2009	2947	CALTEX AUSTRALIA PETROLEUM PTY	Fuel and Oil	\$265.19
14/01/2009	2948	City of Stirling	PAG meeting	\$70.00
14/01/2009	2949	City of Wanneroo	Bin pickup	\$1,854.16
14/01/2009	2950	COMMAND A COM	Installation & move 9 extensions of telephone lines	\$467.50
14/01/2009	2951	COUPLERS MALAGA	Washdown bay hoses	\$753.50
14/01/2009	2952	COVENTRYS	Expendable Tools	\$247.25
14/01/2009	2953	Crossland & Hardy Pty Ltd	Survey of Gas Well - Stage 2 Phase 3	\$2,432.10
14/01/2009	2954	Cube Consulting Pty Ltd	Computer Software Acquisitions	\$3,316.50
14/01/2009	2955	Devco Holdings Pty Ltd	Aluminium angle installation to Admin bldg	\$3,125.00
14/01/2009	2956	Excel Window Cleaning	Widow Cleaning	\$283.00
14/01/2009	2957	FREEHILLS	Professional services - Construction period advice	\$10,535.76
14/01/2009	2958	FUJI XEROX AUST PTY LTD	Lease Rental	\$356.40
14/01/2009	2959	GCM Enviro Pty Ltd	Rubber boots for TANA	\$396.33
14/01/2009	2960	Glenmarri Pty Ltd	Dieback interpretation & mgmt recommendations	\$3,970.00
14/01/2009	2961	Grant O'Brien	Rehabilitation Maintenance	\$1,460.00
14/01/2009	2962	Hudson Software	Computer Software Acquisitions	\$176.00
14/01/2009	2963	Hugh Print 4 U	Millipede Flyer - Spraying of Insecticides	\$591.80
14/01/2009	2964	HUNTER AUTO ELECTRIC	Call outs to re-gas aircon over xmas and new year	\$825.00
14/01/2009	2965	Information Outlook	System Development Cost & Maintenance	\$19,380.26
14/01/2009	2966	JASNEAT	Cleaning for December 08	\$1,754.82
14/01/2009	2967	JOONDALUP OFFICE NATIONAL	Computer Systems Maintenance	\$359.43

Schedule of Payment for January 2009  
Council Meeting - 23 April 2009

Cheque Posting Date	Document No.	Description	Details	Cheque Amount
14/01/2009	2968	JOONDALUP RESORT	CEAG meeting expenses	\$668.00
14/01/2009	2969	Keyfast Bulk Haulage	Limestone Crushing	\$50,277.66
14/01/2009	2970	KINROSS SUPA IGA	Business Meeting 19 December 2008	\$291.10
14/01/2009	2971	Kitec Electrical Services	Shift Airconditioning control unit	\$598.15
14/01/2009	2972	LANDFILL GAS & POWER PTY LTD	Electricity usage	\$1,255.14
14/01/2009	2973	Mercury Firesafety Pty Ltd	Firefighting uniforms	\$2,475.00
14/01/2009	2974	Midalia Steel	Parallel flange channel	\$1,145.10
14/01/2009	2975	MULTIPROGRAMMING PTY LTD	HP Officejet Printer	\$194.42
14/01/2009	2976	NATIONAL TYRES	Tyre puncture repair	\$522.50
14/01/2009	2977	NATIONWIDE OIL	Recycling Contractors Waste Oil	\$638.00
14/01/2009	2978	Neverfail Springwater Ltd	Staff Amenities	\$77.55
14/01/2009	2979	Northern Districts Pest Management	Rodent baiting program	\$154.00
14/01/2009	2980	Osprey Asset Management	Emergency Exercise	\$12,650.00
14/01/2009	2981	PIRTEK (MALAGA) PTY LTD	Renew grease line for Caterpillar	\$1,057.64
14/01/2009	2982	Print Acumen Pty Ltd	Supply of Window Faced Envelopes	\$346.00
14/01/2009	2983	PURE AIR FILTERS	Supply of wash air filters for various plant	\$317.90
14/01/2009	2984	QUINNS ROCK EARTHMOVING	Contract Labour External	\$4,184.20
14/01/2009	2985	RELIANCE PETROLEUM	Supply of Distillate	\$20,492.59
14/01/2009	2986	REPCO AUTO PARTS-Clarkson	Supply of Mechanic gloves	\$209.05
14/01/2009	2987	SBS Sims Group	Recycling Contractors E Waste	\$5,643.00
14/01/2009	2988	Trelleborg Wheel Systems Australia Pty Ltd	Supply of Tyres and Tubes	\$4,312.00
14/01/2009	2989	The Chemistry Centre	Ground Water Management - Vetiver Grass Chemical Analysis	\$181.50
14/01/2009	2990	United Equipment	Plant Repair and Maintenance	\$632.52
14/01/2009	2991	VOCAM	Staff Training	\$396.00
14/01/2009	2992	WANNEROO PLUMBING SERVICE	Stand pipe repair	\$2,861.43
14/01/2009	2993	WesTrac Pty Ltd	Service and maintenance of Caterpillar	\$4,796.10
14/01/2009	2994	WHK Horwath	Audit Fees	\$5,500.00
14/01/2009	2995	WOODHOUSE LEGAL	Legal Expenses - Establishment agreement review	\$785.40
14/01/2009	2996	WORK CLOBBER	Supply of Safetyboots	\$488.24
21/01/2009	2997	ACP MAGAZINES LTD	Subscriptions expenses	\$79.95
21/01/2009	2998	Alance Newspaper & Magazine Delivery	Periodicals/ Publications	\$55.75
21/01/2009	2999	AUSTRALIA POST - JOONDALUP	Postage services	\$763.02
21/01/2009	3000	BOBJANE TMART	Plant Tyres and Tubes	\$195.00
21/01/2009	3001	BRIDGESTONE EARTHMOVER TYRES P	Repair of Caterpillar tyre	\$524.70
21/01/2009	3002	Cabcharge Australia Ltd	Travelling Expenses	\$41.70

Schedule of Payment for January 2009  
 Council Meeting - 23 April 2009

Cheque Posting Date	Document No.	Description	Details	Cheque Amount
21/01/2009	3003	CAR CARE WA	Motor vehicle maintenance	\$85.00
21/01/2009	3004	CASTLE SECURITY & ELECTRICAL P	Building Security	\$170.00
21/01/2009	3005	COMMAND A COM	Supply of telephone headsets	\$1,292.50
21/01/2009	3006	Crossland & Hardy Pty Ltd	Survey of Gas Well Infrastructure - Stage 2 Phase 3	\$2,217.60
21/01/2009	3007	DAVID GRAY & CO P/L	MGB Office Paper recycling bin	\$191.07
21/01/2009	3008	DRIVE IN ELECTRICS	Regas Airconditioning for TANA	\$2,678.60
21/01/2009	3009	FUJI XEROX AUST PTY LTD	Photocopying Service Charge	\$628.67
21/01/2009	3010	Grant O'Brien	Remove Pavers at Education Centre	\$240.00
21/01/2009	3011	GREENWORLD INDOOR GARDENS	Monthly Plant Service	\$79.82
21/01/2009	3012	CANCELLED	CANCELLED CHEQUE	\$0.00
21/01/2009	3013	Iron Mountain Australia Pty Ltd	Stationery and Printing	\$56.55
21/01/2009	3014	JOONDALUP OFFICE NATIONAL	Staff Amenities	\$331.57
21/01/2009	3015	Junkbusters	Waste Management Education - Earth Carers Workshop	\$300.00
21/01/2009	3016	KINROSS SUPA IGA	Staff Amenities	\$80.73
21/01/2009	3017	LANDFILL GAS & POWER PTY LTD	Electricity Usage	\$17,159.13
21/01/2009	3018	Magcorp Pty Ltd	Subscription Fees	\$103.40
21/01/2009	3019	MERCURY	Courier fees	\$428.96
21/01/2009	3020	NORTHSIDE NISSAN	Motor Vehicle service and maintenance	\$1,340.65
21/01/2009	3021	OPTUS COMMUNICATIONS	Telephone Expenses	\$1,260.84
21/01/2009	3022	ORS GROUP	Wellness Programs ORS consultancy	\$214.50
21/01/2009	3023	QUINNS ROCK EARTHMOVING	CANCELLED CHEQUE	\$0.00
21/01/2009	3024	RAC BusinessWise	Membership Fees	\$320.00
21/01/2009	3025	RECORDS MANAGEMENT ASSOCIATION OF AL	Records Management Membership	\$517.00
21/01/2009	3026	SCOPE BUSINESS IMAGING	Photocopying Expenses	\$16.50
21/01/2009	3027	Sensis Pty Ltd	Telephone Expenses	\$13.16
21/01/2009	3028	SJM Fencing	Boundary Fence Upgrade/Repair	\$12,271.10
21/01/2009	3029	SKIPPER TRUCKS	Plant Repair and Maintenance	\$912.27
21/01/2009	3030	Tec Weld Services	Plasma cutter bits	\$663.42
21/01/2009	3031	TELSTRA	Telephone calls usage	\$968.86
21/01/2009	3032	WA HINO SALES & SERVICE	Supply of New 2008 Hino 2627 Auto Long 1CZT036	\$206,425.75
21/01/2009	3033	WA Local Government Association	Advertisement - MRC Closure Xmas Day	\$359.08
21/01/2009	3034	WANNEROO GOLF CLUB INC.	RRF Cocktail Party Wanneroo Golf Club	\$900.00
21/01/2009	3035	WASTEMASTER	Rollers for transfer bins	\$3,850.00
21/01/2009	3036	WESTERN DIAGNOSTIC PATHOLOGY	On-site pathology testing	\$3,182.30
21/01/2009	3037	WILSON SECURITY	Building Security Patrol	\$1,279.83

Schedule of Payment for January 2009  
 Council Meeting - 23 April 2009

Cheque Posting Date	Document No.	Description	Details	Cheque Amount
21/01/2009	3038	WOODHOUSE LEGAL	Professional/Legal Fees	\$1,346.40
21/01/2009	3039	WORK CLOBBER	Supply of safety boots	\$264.60
22/01/2009	3040	GRIFFEN CIVIL	RRF INFRASTRUCTURE WORKS	\$332,785.26
23/01/2009	3041	National Measurement Institute	Weighbridge Operators Course	\$1,500.00
23/01/2009	3042	NATIONAL TAX & ACCOUNTANTS ASSOC LTD	FBT Seminar	\$512.00
23/01/2009	3043	WorkSafe	Licence to perform high risk work	\$73.00
28/01/2009	3044	QUINNS ROCK CABINETS & MAINTEN	Hire of water truck	\$7,367.25
29/01/2009	3045	Mindarie Regional Council	Staff Conferences	\$676.55
		<b>Total Cheque Payments</b>		<b>\$868,663.17</b>
21/01/2009	DP-00185	Australian Taxation Office	BAS December 2008	\$139,223.00
2/01/2009	DP-00186	National Australia Bank	Merchant Charges for Dece 2008	\$818.73
2/01/2009	DP-00187	iiNet Limited	Internet Charges	\$9.95
2/01/2009	DP-00188	National Australia Bank	National Online Fee	\$60.71
13/02/2009	DP-00189	Commonwealth Bank of Australia	Loan 10a Repayment	\$43,832.53
30/01/2009	DP-00190	National Australia Bank	Loan10c interest Feb 09	\$2,959.98
30/01/2009	DP-00191	National Australia Bank	Bill drawdown fee	\$150.00
30/01/2009	DP-00192	National Australia Bank	Account Keeping Fees	\$143.60
30/01/2009	DP-00193	Commonwealth Bank of Australia	Loan10b interest Feb 09	\$10,378.63
		<b>Total Direct Payments</b>		<b>\$197,577.13</b>
2/01/2009	EFT-00169B	MRC	Payroll Employee Wages	\$78,371.17
16/01/2009	EFT-00170	MRC	Payroll Employee Wages	\$80,902.37
20/01/2009	EFT-00171	Waste Management Branch	DEP Landfill levy for 1/10/08 to 31/12/08	\$643,852.33
30/01/2009	EFT-00172	MRC	Payroll Employee Wages	\$82,095.30
		<b>Total EFT Payments</b>		<b>\$885,221.17</b>
		<b>Grand Total</b>		<b>\$1,951,461.47</b>

Summary Schedule of Payments

Cheque Payments  
 Cheque No.2933 to 3045

\$868,663.17

Schedule of Payment for January 2009  
 Council Meeting - 23 April 2009

Cheque Posting Date	Document No.	Description	Details	Cheque Amount
		Electronic Payments DP-00185 to DP-00193 EFT-00169B to EFT-00172		\$197,577.13 \$885,221.17
<b>Grand Total</b>				<b>\$1,951,461.47</b>

**CERTIFICATE OF CHIEF EXECUTIVE OFFICER**

This schedule of accounts which was passed for payment, covering vouchers as above which was submitted to each member of Council on 23 April 2009 has been checked and is fully supported by vouchers and invoices which are submitted herewith and which have been duly certified as to the receipt of goods and the rendition of services and as to prices, computations, and costing and the amounts due for payment.

**CHIEF EXECUTIVE OFFICER**

**ATTACHMENT TWO**  
**TO ITEM 8.2.2**  
**ORDINARY COUNCIL MEETING**  
**23 APRIL 2009**  
**LIST OF PAYMENTS MADE FOR THE MONTH ENDED**  
**28 FEBRUARY 2009**

Schedule of Payment for February 2009  
 Council Meeting - 23 April 2009

Cheque Posting Date	Document No.	Description	Details	Cheque Amount
2/02/2009	3046	A1 ROADLINES PTY LTD	Signs & Barricades Sign - Stencils	\$3,625.38
2/02/2009	3047	Blackwoods & Atkins	Site Operating - stretch wrap for Recycling	\$1,302.74
2/02/2009	3048	BRYANT MEDIA	2008 Annual Report	\$16,236.00
2/02/2009	3049	Bunnings Building Supplies	Building Maintenance	\$265.79
2/02/2009	3050	Cabcharge Australia Ltd	Travelling Expenses	\$336.13
2/02/2009	3051	CHEMWATCH	Annual maintenance fee for chemgold system	\$1,650.00
2/02/2009	3052	CLEAN SWEEP	Access Road Maintenance	\$4,125.02
2/02/2009	3053	DRAGE SIGNS	Signs & Barricades	\$2,029.50
2/02/2009	3054	FirePro Extreme	Site Operating - Killfire	\$15,032.00
2/02/2009	3055	FUJI XEROX AUST PTY LTD	Photocopier Lease/rental 27/10/08 to 27/11/08	\$356.40
2/02/2009	3056	GREENWORLD INDOOR GARDENS	Plant Service	\$79.82
2/02/2009	3057	IW PROJECTS	Contract Labour	\$25,345.87
2/02/2009	3058	JOONDALUP OFFICE NATIONAL	Stationery and Printing	\$90.50
2/02/2009	3059	Keyfast Bulk Haulage	Crushing Limestone	\$57,827.88
2/02/2009	3060	KINROSS SUPA IGA	Staff Amenities	\$304.11
2/02/2009	3061	Local Government Managers Australia	LGMA Finance Professionals conference	\$1,298.00
2/02/2009	3062	Neverfail Springwater Ltd	Bottled water	\$66.64
2/02/2009	3063	QUINNS ROCK EARTHMOVING	Contract Labour External	\$6,098.40
2/02/2009	3064	Rapier	Install paving to Recycling and Residence	\$1,948.00
2/02/2009	3065	ROBERT JOSKE MANAGEMENT	Corporate Communications Strategy	\$19,250.00
2/02/2009	3066	SMB ELECTRICAL SERVICES	Commission Grader	\$3,300.00
2/02/2009	3067	STEVE'S MOBILE TYRE SERVICE	Plant - Tyres and Tubes	\$610.00
2/02/2009	3068	SYNNOTT MULHOLLAND MANAGEMENT	Contract Labour	\$5,015.20
2/02/2009	3069	The Hangman	Professional Art Hanging System	\$3,784.00
2/02/2009	3070	URS	Annual DEC licence audit and reporting.	\$17,349.70
2/02/2009	3071	WATER CORPORATION	Water Usage	\$1,667.75
2/02/2009	3072	WesTrac Pty Ltd	Plant - Repair and Maintenance	\$7,123.74
2/02/2009	3073	WORK CLOBBER	Safety Boots Supply	\$132.30
2/02/2009	3074	Workout World	Supply of Equipment	\$2,599.00
6/02/2009	3075	Australian Institute of Management	Seminar and Training	\$1,275.00
6/02/2009	3076	Bunnings Building Supplies	Workshop supplies	\$247.08
6/02/2009	3077	Ausrecord	Pull out & install reference shelf	\$198.00
6/02/2009	3078	Australian Radiation Services Pty Ltd	Gate radiation monitor	\$24,307.80
6/02/2009	3079	BRIDGESTONE EARTHMOVER TYRES P	Major repair to tyre on Heavy Machinery	\$774.40
6/02/2009	3080	City of Wanneroo	Site Bin Pickup	\$368.72
6/02/2009	3081	CLEAN SWEEP	Access Road Maintenance Sweep	\$687.50
6/02/2009	3082	COVENTRYS	Expendable Tools	\$1,098.89
6/02/2009	3083	DUSTEX	Access road maintenance - Dustex liquid concentrate	\$8,476.00

Schedule of Payment for February 2009  
 Council Meeting - 23 April 2009

Cheque Posting Date	Document No.	Description	Details	Cheque Amount
6/02/2009	3084	Instant Products Group	Hire costs of Shower shell unit	\$2,069.76
6/02/2009	3085	J-CAN TRANSPORT SERVICE	Deliver & return Tana G400 to Contatorie Eng.	\$3,000.00
6/02/2009	3086	JASNEAT	Cleaning Services	\$1,810.37
6/02/2009	3087	Kitec Electrical Services	Electrical Maintenance	\$1,196.25
6/02/2009	3088	MULTIPROGRAMMING PTY LTD	Computer Systems Maintenance and Support for September to December 08	\$55,919.51
6/02/2009	3089	NATIONWIDE OIL	Recycling Contractors - Oil Collection	\$495.00
6/02/2009	3090	Premium Plastics	Purchased fertilizer - 1000 tab of 10g each, macrolite bag	\$462.80
6/02/2009	3091	Proton Promotional Advertising	Staff Uniform	\$683.10
6/02/2009	3092	QUINNS ROCK CABINETS & MAINTEN	Plant Hire Costs - Water Truck	\$9,218.00
6/02/2009	3093	ST JOHN AMBULANCE	Manual First Aid	\$29.70
6/02/2009	3094	SYNERGY	Electricity Usage	\$36.40
6/02/2009	3095	UNICORN WATER PURIFICATION	Water filters x 4 units	\$600.00
6/02/2009	3096	WANNEROO PLUMBING SERVICE	Install flush washer to leaking cistern in workshop	\$133.43
6/02/2009	3097	GRIFFEN CIVIL	RRF Infrastructures	\$33,278.53
6/02/2009	3098	Asteron Portfolio Services	Superannuation Jan'09	\$462.54
6/02/2009	3099	Health Insurance Fund of WA	Superannuation Jan'09	\$265.05
6/02/2009	3100	HESTA SUPER FUND	Superannuation Jan'09	\$615.73
6/02/2009	3101	Portfolofocus - Premium Retirement Services	Superannuation Jan'09	\$3,320.55
6/02/2009	3102	WALGS PLAN PTY LTD	Superannuation Jan'09	\$39,567.36
6/02/2009	3103	WESTSCHEME	Superannuation Jan'09	\$270.00
9/02/2009	3104	Mindarie Regional Council	Wellness Program	\$600.00
13/02/2009	3105	Mindarie Regional Council	Petty cash reimbursement	\$793.45
17/02/2009	3106	Alance Newspaper & Magazine Delivery	Periodicals/ Publications	\$44.05
17/02/2009	3107	ALL EARTH GROUP PTY LTD	Removal of limestone bulk	\$968.18
17/02/2009	3108	ARCUS AUSTRALIA PTY LTD	Workshop Ice Machine	\$277.20
17/02/2009	3109	ARMAGUARD	Cash Collection Fees	\$605.76
17/02/2009	3110	AUSTRALIA POST - JOONDALUP	Postage & Freight	\$141.86
17/02/2009	3111	BENARA NURSERIES	Plant supplies for revegetation program	\$2,671.90
17/02/2009	3112	CALTEX AUSTRALIA PETROLEUM PTY	Fleet fuel	\$69.06
17/02/2009	3113	City of Stirling	Catering for WESSG	\$35.00
17/02/2009	3114	CLEAN SWEEP	Access Road Maintenance	\$1,031.25
17/02/2009	3115	Contatore Engineering	Plant - Repair and Maintenance	\$63,866.00
17/02/2009	3116	COVENTRYS	Industrial Supplies - Cotton rags, spray bottles, paper rolls	\$439.12
17/02/2009	3117	Cube Consulting Pty Ltd	Monthly Software Subscriptions Dec'08	\$786.50
17/02/2009	3118	DUSTEX	Access road maintenance - Dustex liquid concentrate	\$7,986.00
17/02/2009	3119	Excel Window Cleaning	Building Maintenance - Window Cleaning	\$335.50
17/02/2009	3120	FirePro Extreme	Site Operating - Erosionex Tip Face	\$3,696.00
17/02/2009	3121	FUJI XEROX AUST PTY LTD	Lease Fees	\$356.40

Schedule of Payment for February 2009  
 Council Meeting - 23 April 2009

Cheque Posting Date	Document No.	Description	Details	Cheque Amount
17/02/2009	3122	Grant O'Brien	Installation of Radiation Monitoring Posts	\$540.00
17/02/2009	3123	Green & Gold Hiab Services	Hiab Hire - radiation monitoring posts	\$376.20
17/02/2009	3124	GRIFFEN CIVIL	RRF Infrastructures	\$272,237.03
17/02/2009	3125	IFAP	IFAP Presentation	\$77.00
17/02/2009	3126	IW PROJECTS	Contract Labour	\$26,343.79
17/02/2009	3127	Keyfast Bulk Haulage	Limestone Crushing	\$33,204.31
17/02/2009	3128	KINROSS SUPA IGA	Staff Amenities	\$208.66
17/02/2009	3129	L & T VENABLES	Expendable Tools	\$99.47
17/02/2009	3130	MagiCorp Pty Ltd	Telephone Expenses	\$103.40
17/02/2009	3131	Midalia Steel	Workshop supplies	\$42.44
17/02/2009	3132	Premier Workplace Solutions	Install Speed Bumps	\$2,100.00
17/02/2009	3133	Print Acumen Pty Ltd	Printing of receipt books	\$220.00
17/02/2009	3134	SBS Sims Group	Recycling Contractors E Waste	\$6,562.05
17/02/2009	3135	SCOPE BUSINESS IMAGING	Photocopying Expenses	\$196.65
17/02/2009	3136	SJM Fencing	Repair 2 holes and 1 damaged panel fencing	\$495.00
17/02/2009	3137	TELSTRA	Telephone Expenses	\$378.97
17/02/2009	3138	The Executive Connection Pty Ltd	Subscriptions	\$4,537.50
17/02/2009	3139	URS	Professional Services	\$8,400.15
19/02/2009	3140	AUSTRALIA POST - JOONDALUP	Post Office Box Services	\$75.00
19/02/2009	3141	Bunnings Building Supplies	Expendable Tools	\$262.53
19/02/2009	3142	CLEAN SWEEP	Road Sweeping	\$721.88
19/02/2009	3143	COMMAND A COM	Telephone Expenses	\$137.50
19/02/2009	3144	Cosmic Studios	Picture Framing	\$456.10
19/02/2009	3145	EMRC	Recycling Contractors - Mattresses	\$530.00
19/02/2009	3146	FREEHILLS	EMS legal review manual quarterly update	\$2,090.00
19/02/2009	3147	FUJI XEROX AUST PTY LTD	Photocopier Service	\$455.43
19/02/2009	3148	Great Southern Sands	Dump truck hire	\$150,858.81
19/02/2009	3149	HARVEY NORMAN	Replace Fridge	\$383.00
19/02/2009	3150	HSE Control Pty Ltd	Contract Labour	\$8,419.22
19/02/2009	3151	Immersive Operator Training	Staff training course fees for skid steer loading and excavator	\$5,070.00
19/02/2009	3152	JOONDALUP OFFICE NATIONAL	Money bags, office stationary	\$1,777.81
19/02/2009	3153	LINC STRATEGIC	Professional services	\$330.00
19/02/2009	3154	Neverfail Springwater Ltd	Bottled water	\$65.40
19/02/2009	3155	OPTUS COMMUNICATIONS	Telephone Expenses	\$1,153.17
19/02/2009	3156	QUINNS ROCK CABINETS & MAINTEN	Plant Hire Costs - Watertruck	\$8,360.00
19/02/2009	3157	Red 11	Computing Equipment	\$1,701.10
19/02/2009	3158	Sensis Pty Ltd	Yellow Pages directory instalment 4	\$13.16
19/02/2009	3159	TELSTRA	Telephone Expenses	\$665.53

Schedule of Payment for February 2009  
Council Meeting - 23 April 2009

Cheque Posting Date	Document No.	Description	Details	Cheque Amount
19/02/2009	3160	URS	Professional services for Neerabup RRF infrastructure.	\$27,788.28
19/02/2009	3161	WA Local Government Association	Advertising for tender 13/96	\$6,821.49
19/02/2009	3162	WANNEROO GOLF CLUB INC.	Wanneroo Golf Club Pro Am day May 2009	\$2,000.00
19/02/2009	3163	WOODHOUSE LEGAL	Legal Expenses	\$700.70
19/02/2009	3164	XLT Industrial Training Pty Ltd	Training fees	\$3,717.00
19/02/2009	3165	YAKKA PTY LTD	Staff Uniform	\$165.44
25/02/2009	3166	AIR LIQUIDE WA PTY LTD	Plant Hire Costs	\$168.88
25/02/2009	3167	BRYANT MEDIA	Corporate Communications Strategy	\$14,872.00
25/02/2009	3168	CCI Chamber of Commerce and Industry	Supervision and Management Training	\$368.00
25/02/2009	3169	COMMAND A COM	Telephone Expenses	\$137.50
25/02/2009	3170	Contatore Engineering	Purchase of fuel cap for the TANA compactor.	\$363.00
25/02/2009	3171	DOMAIN CATERING	Catering	\$150.00
25/02/2009	3172	DUN & BRADSTREET AUSTRALIA P/L	Other Administration Expenses	\$0.55
25/02/2009	3173	Grant O'Brien	Removal of Patio, training centre maintenance	\$240.00
25/02/2009	3174	Great Southern Sands	Hire 30T excavator	\$353,413.78
25/02/2009	3175	Iron Mountain Australia Pty Ltd	Records Management	\$4.43
25/02/2009	3176	Keyfast Bulk Haulage	Limestone Crushing	\$34,422.10
25/02/2009	3177	LINC STRATEGIC	Website & Intranet scoping fee	\$2,640.00
25/02/2009	3178	Mercury Firesafety Pty Ltd	Firewalker W/C unlined glove	\$121.00
25/02/2009	3179	METTLER TOLEDO LIMITED	Building Maintenance - Weighbridge	\$750.20
25/02/2009	3180	NEWCASLE WEIGHING SERVICES PT	DCS Printer for Wasteman	\$1,562.77
25/02/2009	3181	ORS GROUP	Annual report - 2008	\$143.00
25/02/2009	3182	RELIANCE PETROLEUM	Distillate Supply	\$33,730.21
25/02/2009	3183	SYNNOTT MULHOLLAND MANAGEMENT	Consultancy Services - RRF Community Consultation	\$7,502.00
25/02/2009	3184	The Factory	Supply of cross section of landfill display unit	\$2,059.75
25/02/2009	3185	Western Plant Hire (WA) Pty Ltd	Plant Hire Costs - Excavator	\$12,535.60
25/02/2009	3186	Wes Trac Pty Ltd	Cutting edge for PLT 54	\$325.11
25/02/2009	3187	WILSON SECURITY	Building Security 1/1/09 - 31/1/09	\$1,279.83
		<b>Total Cheque Payments</b>		<b>\$1,522,051.45</b>
2/02/2009	DP-00194	National Australia Bank	On-line Service Charges for Feb09	\$9.95
2/02/2009	DP-00195	National Australia Bank	Merchant Fees Jan 09	\$685.87
2/02/2009	DP-00196	National Australia Bank	NAB Online fee	\$42.71
9/02/2009	DP-00197	Commonwealth Bank of Australia	Loan 11 Repayment	\$74,937.85
1/02/2009	DP-00198	iNet Limited	VOIP Charges	\$9.95
1/02/2009	DP-00199	iNet Limited	Internet Charges	\$399.80
2/02/2009	DP-00200	National Australia Bank	National Online Fee	\$42.71
9/02/2009	DP-00201	Cancelled	Cancelled	\$0.00

Schedule of Payment for February 2009  
 Council Meeting - 23 April 2009

Cheque Posting Date	Document No.	Description	Details	Cheque Amount
23/02/2009	DP-00202	Australian Taxation Office	BAS January 2009	\$165,040.00
27/02/2009	DP-00203	Commonwealth Bank of Australia	Loan 10a Interest	\$2,815.07
27/02/2009	DP-00204	Cancelled	Cancelled	\$0.00
27/02/2009	DP-00205	Commonwealth Bank of Australia	Loan 10b Interest	\$8,337.09
27/02/2009	DP-00206	Commonwealth Bank of Australia	Loan 8 Repayment	\$22,178.68
27/02/2009	DP-00207	National Australia Bank	Bill Drawdown Fee	\$150.00
27/02/2009	DP-00208	National Australia Bank	Account Keeping Fee	\$134.90
		<b>Total Direct Payments</b>		<b>\$274,784.58</b>
13/02/2009	EFT-00173	MRC	Payroll Employee Wages	\$83,725.44
27/02/2009	EFT-00174	MRC	Payroll Employee Wages	\$82,210.28
		<b>Total EFT Payments</b>		<b>\$165,935.72</b>
		<b>Grand Total</b>		<b>\$1,962,771.75</b>

Summary Schedule of Payments

Cheque Payments	\$1,522,051.45
Cheque No.3046 to 3187	
Electronic Payments	\$274,784.58
DP-00194 to DP-00208	
EFT-00173 to EFT-00174	\$165,935.72
<b>Grand Total</b>	<b>\$1,962,771.75</b>

CERTIFICATE OF CHIEF EXECUTIVE OFFICER

This schedule of accounts which was passed for payment, covering vouchers as above which was submitted to each member of Council on 23 April 2009 has been checked and is fully supported by vouchers and invoices which are submitted herewith and which have been duly certified as to the receipt of goods and the rendition of services and as to prices, computations, and costing and the amounts due for payment.

CHIEF EXECUTIVE OFFICER

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**ITEM 8.2.3      AUDIT COMMITTEE MEETING – 9 APRIL 2009**

**File No:**            **COR/22**

**Attachment(s):**    **1. Minutes of Audit Committee meeting held 9 April 2009**  
                              **2. Annual Compliance Return & Report Item**  
                              **3. 2008/09 Audit Plan and Approach**

**Author:**            **Kalwant Dhillon**

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**BACKGROUND**

The Internal Audit Committee was established during the 2005/2006 financial year and it held its Inaugural meeting in June 2006.

The annual meeting for 2008/09 financial year was held on 9 April 2009.

**DETAIL**

**Establishment of Audit Committee**

The Audit Committee was established by Ordinary Council Meeting resolution on 7 July 2005. The Terms of Reference for this Committee were approved by Council at its Ordinary Council Meeting on 27 October 2005.

Powers of the Audit Committee, as stated in the Terms of Reference, can be summarised by the following extract:

*“The Committee is to report to Council and provide appropriate advice and recommendations ....”*

In short, the Audit Committee does not have delegated authority from Council for decision making.

Two matters were considered by the Committee and these are summarised below:

- **Annual Compliance Audit Return (Report)**

The Committee reviewed the Annual Compliance Audit Return and recommends the Return for Council Approval.

The Committee also recommends the adoption of a three year comparison of Compliance for the 2009 Annual Audit Return.

- **2008/2009 Audit Plan and Approach**

The Committee recommends that Council note the 2008/09 Audit Plan and Approach presented by the Auditors, WHK Howarth.

**STATUTORY ENVIRONMENT**

An Internal Audit Committee is required under the Local Government Act 1995 and Regulations. The committee is required to meet at least once a year and report any matters discussed and outcomes to the Council.

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**POLICY IMPLICATIONS**

Not applicable.

**STRATEGIC IMPLICATIONS**

Not applicable.

**RECOMMENDATION**

**That Council approve the following recommendations from the Audit Committee Meeting (9 April 2009):**

- (i) the approval of the Annual Compliance Audit Return and authorise the Chairperson and the Chief Executive Officer to sign the Return**
- (ii) approve the adoption of a three year comparison of Compliance for the 2009 Annual Compliance Audit Return**
- (iii) note the 2008/09 Audit Plan and Approach presented by the Auditors, WHK Howarth**

**ATTACHMENT ONE**  
**TO ITEM 8.2.3**  
**ORDINARY COUNCIL MEETING**  
**23 APRIL 2009**  
**MINUTES OF AUDIT COMMITTEE MEETING HELD 9 APRIL 2009**



## MINUTES

### AUDIT COMMITTEE MEETING

MONDAY 9 APRIL 2009

TIME: 4.00 PM

VENUE – TOWN OF VICTORIA PARK  
Meeting Room 3

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



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**MINUTES**  
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**MINUTES OF THE MEETING OF THE MINDARIE REGIONAL COUNCIL'S AUDIT COMMITTEE HELD AT THE TOWN OF VICTORIA PARK, 99 SHEPPERTON ROAD, VICTORIA PARK, WESTERN AUSTRALIA ON 9 APRIL 2009 COMMENCING AT 4.00PM.**

**Cr Willox declared the meeting open at 4.00pm.**

**1. ATTENDANCE AND APOLOGIES**

**Councillors**

Rod Willox	City of Stirling
Russell Fishwick	City of Joondalup

Alex Dermedoglou	External Member
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**Officers**

Mr Kevin Poynton	Chief Executive Officer
Mr Kalwant Dhillon	Chief Financial Officer
Mr Graham McAtominey	Accountant (Contract)

**Auditors**

Mr Nick Hollens	Principal/Partner
Mr Luke Carey	Manager

**Apologies**

Cr Rob Butler	City of Perth
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**2. DISCLOSURE OF INTEREST**

Nil.

**3. COMPLIANCE REPORT - 2008**

**Motion: (Moved: Cr Fishwick      Seconded: Cr Willox)**

Committee discussed the Annual Compliance Audit Return and recommend that the Council approve the full Annual Compliance Audit Return.

Committee noted Mr McAtominey findings that the Compliance level improved over last year and the non compliance matters were of minor nature which will be adopted by Mindarie Regional Council as part of the continuous improvement process.

Committee also recommend that Mindarie Regional Council adopt a 3 year comparison of compliance level for the 2009 Compliance Audit.

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**RECOMMENDATION:**

**That Council approve the following recommendation from the Audit Committee:**

- (i) approve the full Annual Compliance Audit Return (per Item 8.2.4) and authorise the Chairperson and Chief Executive Officer to sign the Return**
- (ii) approve the adoption of a three year comparison of compliance for the 2009 Annual Audit Return**

**4 MEETING WITH AUDITOR**

**Motion: (Moved: Cr Fishwick      Seconded: Cr Willox)**

The external auditors Mr Hollens (principal) and Mr Carey (Manager) from WHK Howarth joined the meeting and were invited to make a presentation on their Audit Plan and Approach for 2008/09 Audit.

Members of the Audit Committee noted the presentation made by Mr Hollens and thanked Mr Hollens for the professional approach and documentation.

**RECOMMENDATION:**

**That the 2008/09 Audit Plan and Approach be noted.**

**5 FUTURE MEETINGS**

November 2009 – to receive and discuss the Audit Report relating to 2008/09 Financial Statements and 2009 Compliance Audit Planning

**6 OTHER BUSINESS**

**External Auditors – Term of Appointment**

Members of Audit Committee noted the Term of Appointment for the external auditors will expire on the conclusion of the audit for 2008/09 Financial Statements and expressed satisfaction at the appointment of the Auditors from a medium size Audit Firm.

Members of Audit Committee also suggested that Mindarie Regional Council consults some of the Member Councils, in relation to Auditors with Local Government experience, as part of the process for the appointment of the auditors for the next term.

**7 CLOSURE – 5.30pm.**

**ATTACHMENT TWO**  
**TO ITEM 8.2.3**  
**ORDINARY COUNCIL MEETING**  
**23 APRIL 2009**  
**ANNUAL COMPLIANCE RETURN**

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**ITEM 3                    LOCAL GOVERNMENT COMPLIANCE AUDIT RETURN  
(1 JANUARY 2008 – 31 DECEMBER 2008)**

**File No:**                **COR/12**

**Attachment(s):**    **1. Compliance Audit Return  
2. Final Audit Report**

**Author:**                **Graham McAtominey**

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**SUMMARY**

The purpose of this report is to provide Council with information on the completed Statutory Compliance Return (1 January – 31 December 2008).

**BACKGROUND**

Each Local Government is to carry out a Compliance Audit for the period 1 January to 31 December in accordance with Section 7.13(i) (of the *Local Government Act 1995*) and *Audit Regulation 13*. On completion of the Compliance Audit, the Local Government is to complete a Compliance Audit Return. The Compliance Audit Return is to be processed as follows:

- Consideration by Council
- Adoption by the Council
- Confirmation by Minutes of the meeting concerning these actions

Following this, a certified copy of the Return along with the relevant section of the Minutes, and any additional information explaining or qualifying the Compliance Audit, is to be submitted to the Executive Director, Department of Local Government and Regional Development.

The administration has completed the Compliance Audit Return, and this work is now presented to the Council for consideration.

**DETAIL**

**The Compliance Audit Return**

A copy of the completed Compliance Audit Return is attached to and forms part of this Item (see Attachment 1). It should be noted that a number of sections of the Compliance Audit Return are not relevant to the Mindarie Regional Councils business, and this has been noted, where appropriate.

The audit return has been completed after an independent audit was conducted internally by Mr Graham McAtominey, a contract accountant with over 20 years experience in finance and accounting. The report from Mr McAtominey is at Attachment 2.

Key points to note from this independent audit are as follows:

- That the audit was conducted as a continuous improvement exercise

- 
- That the auditor's conclusion was that "high level of compliance" was evidenced
  - That, whilst some areas of non-compliance were identified, remedial action had either been planned, or has been commenced and/or completed

### **Areas of non-compliance**

The proposed remedial action, to be undertaken by the administration under the leadership of the Chief Executive Officer, is as follows:

- Observation 1 – Delegation of Power/Duty
  - Documentation of this requirement in the appropriate Governance procedure.
- Observation 2 – Disclosure of Interest
  - Documentation of this requirement in the appropriate Governance procedure.
- Observation 3 – Finance
  - Documentation of this requirement in the appropriate Finance procedure.
- Observation 4 – Local Government Employees
  - Performance Evaluation System is currently under review and the compliance matters will be taken into account in the finalisation.
- Observation 5 – Meeting Processes
  - Documentation of this requirement in the appropriate Governance procedure.
- Observation 6 – Tenders for the provision of Goods & Services
  - These compliance issues will be taken into account as part of the continuing improvement process for the Procurement of Goods & Services.

### **CONSULTATION**

Not Applicable.

### **STATUTORY ENVIRONMENT**

The completion of the Compliance Audit Return is a statutory requirement directed by the Department of Local Government.

### **POLICY IMPLICATIONS**

The Compliance Audit Return is directly related to the Council's Business Manual, including Policies and Procedures.

### **FINANCIAL IMPLICATIONS**

Not applicable.

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**STRATEGIC IMPLICATIONS**

Not applicable.

**COMMENT**

Mindarie Regional Council has completed the Compliance Audit Return for the period 1 January to 31 December 2008. The MRC Audit Committee, at its meeting held on 9 April 2009, recommended the Audit Return for Council consideration.

**RECOMMENDATION**

**That the Council adopt the Compliance Audit Return, as presented, for the period 1 January 2008 to 31 December 2008.**

**ATTACHMENT ONE**  
**TO ITEM 3**  
**AUDIT COMMITTEE MEETING**  
**9 APRIL 2009**  
**COMPLIANCE AUDIT RETURN**



**Mindarie Regional Council - Compliance Audit Return Regional Local Government 2008**

<b>Commercial Enterprises by Local Governments</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s3.59(2)(a)(b)(c) Functions & General Regulation 7,9	Has the local government prepared a business plan for each major trading undertaking in 2008.	Yes		
2	s3.59(2)(a)(b)(c) Functions & General Regulation 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2008.	Yes		
3	s3.59(2)(a)(b)(c) Functions & General Regulation 7,11	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2008.	Yes		
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2008.	Yes		
5	s3.59(5)	Did the Council, during 2008, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	Yes		



<b>Delegation of Power / Duty</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	n/a		
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	n/a		
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	n/a		
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	n/a		
5	s5.18	Has Council reviewed delegations to its committees in the 2007/2008 financial year.	n/a		
6	s5.42(1),5.43 Administration Regulation 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		
7	s5.42(1)(2) Admin Reg 18	Were all delegations to the CEO resolved by an absolute majority.	Yes		
8	s5.42(1)(2) Admin Reg 18	Were all delegations to the CEO in writing.	Yes		
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes		
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	No		
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2007/2008 financial year.	Yes		
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	Yes		

<b>Disclosure of Interest</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	n/a		
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings.	n/a		



No	Reference	Question	Response	Comments	Respondent
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	n/a		
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	Yes		
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	No		
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2008.	No		
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2008.	No		
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	No		
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes		
10	s5.88(1)(2) Admin Reg 2	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.	No		
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	No		
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes		
13	s5.103 Admin Reg 34C	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	n/a		



<b>Disposal of Property</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s3.58(3)	Was any property that was not disposed of by public auction or tender, given local public notice prior to disposal (except where excluded by Section 3.58(5)).	n/a		
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property.	n/a		

<b>Finance</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.53, Admin Reg19B	Has the local government prepared an annual report for the financial year ended 30 June 2008 that contained the prescribed information under the Act and Regulations.	Yes		
2	s5.54(1), (2)	Was the annual report accepted by absolute majority by the local government by 31 December 2008.	Yes		
3	s5.54(1), (2)	If the Auditor's report was not available in time for acceptance by 31 December, will it be accepted no more than two months after the Auditor's report is made available.	n/a		
4	s5.55	Did the CEO give local public notice of the availability of the annual report as soon as practicable after the local government accepted the report.	No		
5	S5.56 Admin Reg 19C(2)	Has the local government made a plan for the future of its district in respect of the period specified in the plan (being at least 2 financial years).	Yes		
6	Admin Reg 19D	After a plan for the future, or modifications to a plan were adopted under regulation 19C, did the local government give public notice in accordance with subsection (2).	No		
7	s5.98 Admin Reg 30	Was the fee made available to elected members for attending meetings within the prescribed range.	Yes		
8	s5.98 Admin Reg 31	Was the reimbursement of expenses to elected members within the prescribed ranges or as prescribed.	Yes		
9	s5.98A Admin Reg 33A	Where a local government decided to pay the deputy mayor or the deputy president an allowance, was it resolved by absolute majority.	Yes		



No	Reference	Question	Response	Comments	Respondent
10	s5.98A Admin Reg 33A	Where a local government decided to pay the deputy mayor or the deputy president an allowance, was it up to (or below) the prescribed percentage of the annual local government allowance to which the mayor or president is entitled under section 5.98(5).	Yes		
11	s5.99 Admin Reg 34	Where a local government decided to pay Council members an annual fee in lieu of fees for attending meetings, was it resolved by absolute majority.	Yes		
12	s5.99 Admin Reg 34	Where a local government decided to pay Council members an annual fee in lieu of fees for attending meetings, was it within the prescribed range.	Yes		
13	s5.99A Admin Reg 34A, AA, AB	Where a local government decided to pay Council members an allowance instead of reimbursing telephone, facsimile machine rental charges and other telecommunication, information technology, travelling and accommodation expenses, was it resolved by absolute majority.	Yes		
14	s5.99A Admin Reg 34A, AA, AB	Where a local government decided to pay Council members an allowance instead of reimbursing telephone, facsimile machine rental charges and other telecommunication, information technology, travelling and accommodation expenses, was it within the prescribed range.	Yes		
15	s5.100 (1)	Did the local government pay a fee for attending committee meetings only to a committee member who was a council member or employee.	Yes		
16	s5.100 (2)	Where the local government decided to reimburse a committee member, who was not a council member or employee, for an expense incurred by the person in relation to a matter affecting the local government, was it within the prescribe range.	n/a		
17	s6.2	Did Council, prior to 31 August in the review period, adopt by absolute majority, a budget in the form and manner prescribed by Financial Management (FM) Reg 22 and the Act. (Please enter the date of the Council Resolution in the "Comments" column)	Yes	Council Resolution date 3/7/08	
18	s6.2	If 'no', was Ministerial approval sought for an extension.	n/a		
19	Financial Management Reg 33	Was the 2008/2009 budget forwarded to the Department of Local Government and Regional Development within 30 days of its adoption. (Please enter the date sent in the "Comments" column).	Yes	Date sent 1/8/08	
20	s6.4(1) FM Reg 34	Did the local government prepare an annual financial report as prescribed.	Yes		



No	Reference	Question	Response	Comments	Respondent
21	s6.4(1) FM Reg 34	Did the local government prepare other financial reports as prescribed.	n/a		
22	FM Reg 34	If the local government prepared other financial reports as prescribed in s6.4(1) FM Reg 34, were they presented to Council and recorded in the minutes of the meetings in which they were submitted.	n/a		
23	s6.4(3)(b)	Was the annual financial report, prepared for the financial year ended 30 June 2008, submitted to the Auditor by 30 September 2008 or by the extended time allowed by the Minister or his delegate.	No		
24	FM Reg 51(2)	Was the annual financial report submitted to the Department of Local Government and Regional Development sent by the CEO within 30 days after receiving the Auditor's report.	Yes		
25	s6.8	Was expenditure that the local government incurred from its municipal fund, but not included in its annual budget, authorised in advance on all occasions by absolute majority resolution.	n/a		
26	s6.8(1)(c)	Did the Chairman authorise expenditure from the municipal fund in an emergency. (Please indicate circumstances in the "Comments" column)	n/a		
27	s6.8	In relation to expenditure that the local government incurred from its municipal fund that was authorised in advance by the Chairman in an emergency, was it reported on all occasions to the next ordinary meeting of council.	n/a		
28	s6.9 (1)	Does the local government's trust fund consist of all money (or the value of assets) that are required by the Local Government Act 1995 or any other written law to be credited to the fund.	n/a		
29	s6.9 (1)	Does the local government's trust fund consist of all money or the value of assets held by the local government in trust.	n/a		
30	s6.9(2)	Has the local government's trust fund been applied for the purposes of and in accordance with the trusts affecting it.	n/a		
31	s6.9(3)	Has money held in the trust fund, been paid to the person entitled to it, together with, if the money has been invested, any interest earned from that investment.	n/a		
32	s6.9(3)	Has property held in trust been delivered to the persons entitled to it.	n/a		



No	Reference	Question	Response	Comments	Respondent
33	s6.11(2)	Have all decisions to change the use or purpose of money held in reserve funds been by absolute majority.	n/a		
34	s6.11(2) FM Reg 18	Did the local government give one months public notice of the proposed change of purpose or proposed use of money held in reserve funds . (Notice not required where the local government has disclosed the change of purpose or proposed use of reserve funds in its annual budget or where the money was used to meet expenditure authorised under s6.8(1)(c) of the Act or where the amount to be used did not exceed \$5,000).	n/a		
35	s6.12, 6.13, 6.16(1),(3)	Did Council at the time of adopting its budget, determine the granting of a discount or other incentive for early payment by absolute majority.	n/a		
36	s6.12, 6.13, 6.16(1),(3)	Did Council determine the setting of an interest rate on money owing to Council by absolute majority.	n/a		
37	s6.12, 6.13, 6.16(1),(3)	Did Council determine to impose or amend a fee or charge for any goods or services provided by the local government by absolute majority. (Note: this applies to money other than rates and service charges).	Yes		
38	s6.17(3)	Were the fees or charges imposed for a copy of information available under section 5.96, limited to the cost of providing the service or goods.	n/a	Information given free of charge.	
39	s6.17(3)	Were the fees or charges imposed for receiving an application for approval, granting an approval, making an inspection and issuing a licence, permit, authorisation or certificate, limited to the cost of providing the service or goods.	n/a		
40	s6.17(3)	Were the fees or charges imposed for any other service prescribed in section 6.16 (2)(f), limited to the cost of providing the service or goods.	n/a		
41	s6.19	After the budget was adopted, did the local government give local public notice for all fees and charges stating its intention to introduce the proposed fees or charges and the date from which it proposed to introduce the fees or charges.	Yes		
42	s6.20(2) FM Reg 20	On each occasion where the local government exercised the power to borrow and details of the proposal were not included in the annual budget for that financial year, did the local government give one month's local public notice of the proposal (except where the proposal was of a kind prescribed in FM Regulation 20).	Yes		



No	Reference	Question	Response	Comments	Respondent
43	s6.20(2) FM Reg 20	On each occasion where the local government exercised the power to borrow, was the Council decision to exercise that power by absolute majority (Only required where the details of the proposal were not included in the annual budget for that financial year).	Yes		
44	s6.20(3) FM Reg 21	On each occasion where the local government changed the use of borrowings, did the local government give one month's local public notice of the change in purpose. (Only required if the details of the change of purpose were not included in the annual budget or were of the kind prescribed in FM Regulation 21).	n/a		
45	s6.20(3) FM Reg 21	On each occasion where the local government changed the use of borrowings, was the decision on the change of use by absolute majority.(Only required if the details of the change of purpose were not included in the annual budget or were of the kind prescribed in FM Regulation 21)	n/a		
46	S6.76(6)	Was the outcome of an objection under section 6.76(1) promptly conveyed to the person who made the objection including a statement of the local government's decision on the objection and its reasons for that decision.	n/a		
47	FM Reg 11(1)	Has the local government developed procedures for the authorisation of, and the payment of, accounts to ensure that there is effective security for and properly authorised use of cheques, credit cards, computer encryption devices and passwords, purchasing cards and other devices or methods by which goods, services, money or other benefits may be obtained.	Yes		
48	FM Reg 11(1)	Has the local government developed procedures for the authorisation of, and the payment of, accounts to ensure that there is effective security for and properly authorised use of petty cash systems.	Yes		
49	FM Reg 11(2)	Has the local government developed procedures that ensure a determination is made that the debt was incurred by a person who was properly authorised, before any approval for payment of an account is made.	Yes		
50	FM Reg 11(2)	Has the local government developed procedures that ensure a determination is made that the goods or services to which each account relates were provided in a satisfactory condition or to a satisfactory standard, before payment of the account.	Yes		



No	Reference	Question	Response	Comments	Respondent
51	FM Reg 12	Have payments from the Municipal or Trust fund been made under the appropriate delegated authority.	Yes		
52	FM Reg 12	When Council are presented with a list detailing the accounts to be paid, have payments from the Municipal or Trust fund been authorised in advance by resolution of Council.	n/a		
53	FM Reg 13	Did the list of payments made or accounts for approval to be paid from the Municipal or Trust fund that were recorded in the minutes of the relevant meeting include the payee's name.	Yes		
54	FM Reg 13	Did the list of payments made or accounts for approval to be paid from the Municipal or Trust fund, that were recorded in the minutes of the relevant meeting, include the amount of the payment.	Yes		
55	FM Reg 13	Did the list of payments made or accounts for approval to be paid from the Municipal or Trust fund that were recorded in the minutes of the relevant meeting, include sufficient information to identify the transaction.	Yes		
56	FM Reg 13	Did the list of accounts for approval to be paid from the Municipal or Trust fund that were recorded in the minutes of the relevant meeting, include the date of the meeting of Council.	n/a		
57	FM Reg 19	Do the internal control procedures over investments established and documented by the local government enable the identification of the nature and location of all investments.	n/a		
58	FM Reg 19	Do the internal control procedures over investments, established and documented by the local government, enable the identification of the transactions related to each investment.	n/a		
59	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes		
60	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	n/a		
61	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		
62	s7.3	Was the person(s) appointed by the local government to be its auditor, an approved auditor.	n/a		



No	Reference	Question	Response	Comments	Respondent
63	s7.3	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	Yes		
64	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2008 received by the local government within 30 days of completion of the audit.	Yes		
65	s7.9(1)	Was the Auditor's report for 2007/2008 received by the local government by 31 December 2008.	Yes		
66	S7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report prepared under s7.9(1) of the Act required action to be taken by the local government, was that action undertaken.	n/a		
67	S7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9(1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	n/a		
68	S7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9(1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	n/a		
69	A Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		
70	A Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		
71	A Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		
72	A Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor.	Yes		
73	A Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor.	Yes		
74	FM Reg 33A	Did the local government, between 1 January and 31 March 2008, carry out a review of its annual budget for the year ended 30 June 2008.	Yes		



<b>Local Government Employees</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s9.59, Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position was advertised.	n/a		
2	s5.36(4), 5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and for designated senior employees advertised.	n/a		
3	s5.36(4), 5.37(3), Admin Reg 18A	Did the local government advertise for the position of CEO and for designated senior employees in a newspaper circulated generally throughout the State.	n/a		
4	s5.36(4), 5.37(3), Admin Reg 18A	Did all advertisements for the position of CEO and for designated senior employees contain details of the remuneration and benefits offered.	n/a		
5	s5.36(4), 5.37(3), Admin Reg 18A	Did all advertisements for the position of CEO and for designated senior employees contain details of the place where applications for the position were to be submitted.	n/a		
6	s5.36(4), 5.37(3), Admin Reg 18A	Did all advertisements for the position of CEO and for designated senior employees detail the date and time for closing of applications.	n/a		
7	s5.36(4), 5.37(3), Admin Reg 18A	Did all advertisements for the position of CEO and for designated senior employees indicate the duration of the proposed contract.	n/a		
8	s5.36(4), 5.37(3), Admin Reg 18A	Did all advertisements for the position of CEO and for designated senior employees provide contact details of a person to contact for further information.	n/a		
9	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	n/a		
10	s5.38	Was the performance of each employee, employed for a term of more than one year, (including the CEO and each senior employee), reviewed within the most recently completed 12 months of their term of employment.	No		
11	Admin Reg 18D	When the Council considered the CEO's performance review did it decide to accept the review ( with or without modification).	Yes		
12	Admin Reg 18D	When the Council considered the CEO's performance review did it decide to reject the review.	No		
13	s5.39	During the period covered by this Return, were written performance based contracts in place for the CEO and all designated senior employees who were employed since 1 July 1996.	Yes		



No	Reference	Question	Response	Comments	Respondent
14	s5.39 Admin Reg 18B	Does the contract for the CEO and all designated senior employees detail the maximum amount of money payable if the contract is terminated before the expiry date. This amount is the lesser of the value of one year's remuneration under the contract.	Yes		
15	s5.39 Admin Reg 18B	Does the contract for the CEO and all designated senior employees detail the maximum amount of money payable if the contract is terminated before the expiry date and this amount is the lesser of the value of the remuneration they would be entitled to had the contract not been terminated.	Yes		
16	s5.50(1)	Did Council adopt a policy relating to employees whose employment terminates, setting out the circumstances in which council would pay an additional amount to that which the employee is entitled under a contract or award.	n/a		
17	s5.50(1)	Did Council adopt a policy relating to employees whose employment terminates, setting out the manner of assessment of an additional amount.	n/a		
18	s5.50(2)	Did the local government give public notice on all occasions where council made a payment that was more than the additional amount set out in its policy.	n/a		
19	S5.53(2)(g) Admin Reg 19B	For the purposes of section 5.53(2)(g) did the annual report of a local government for a financial year contain the number of employees of the local government entitled to an annual salary of \$100,000 or more.	Yes		
20	S5.53(2)(g) Admin Reg 19B	For the purposes of section 5.53(2)(g) did the annual report of a local government for a financial year contain the number of those employees with an annual salary entitlement that falls within each band of \$10,000 and over \$100,000.	Yes		
21	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4).	n/a		
22	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only).	n/a		



<b>Local Laws</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s3.12(2) F&G Reg 3	On each occasion that Council resolved to make a local law, did the person presiding at the Council meeting give notice of the purpose and effect of each proposed local law in the manner prescribed in Functions and General Regulation 3.	n/a		
2	s3.12(3)(a)	On each occasion that Council proposed to make a local law, did the local government give Statewide and local public notice stating the purpose and effect of the proposed local law.	n/a		
3	s3.12(3)(a)	Did the local government give Statewide and local public notice stating details of where a copy of the local law may be inspected or obtained.	n/a		
4	s3.12(3)(b)	On all occasions, as soon as a Statewide and local public notice was published, did the local government provide a copy of the proposed law, together with a copy of the notice, to the Minister for Local Government and Regional Development.	n/a		
5	s3.12(3)(b)	On all occasions, as soon as a Statewide and local public notice was published, did the local government provide a copy of the proposed law, together with a copy of the notice where applicable, to the Minister who administers the Act under which the local law was made.	n/a		
6	s3.12(4)	Have all Council's resolutions to make local laws been by absolute majority.	n/a		
7	s3.12(4)	Have all Council's resolutions to make local laws been recorded as such in the minutes of the meeting.	n/a		
8	s3.12(5)	After making the local law, did the local government publish the local law in the Gazette.	n/a		
9	s3.12(5)	After making the local law, did the local government give a copy to the Minister for Local Government and Regional Development and where applicable to the Minister who administers the Act under which the local law was made.	n/a		
10	s3.12(6)	After the local law was published in the Gazette, did the local government give local public notice stating the title of the local law.	n/a		
11	s3.12(6)	After the local law was published in the Gazette, did the local government give local public notice summarising the purpose and effect of the local law and the day on which it came into operation.	n/a		



No	Reference	Question	Response	Comments	Respondent
12	s3.12(6)	After the local law was published in the Gazette, did the local government give local public notice advising that copies of the local law may be inspected or obtained from its office.	n/a		
13	s3.16(1)	Have all reviews of local laws under section 3.16(1) of the Act been carried out within a period of 8 years.	n/a		
14	s3.16(1)(2)	If the local government carried out a review of a local law under section 3.16 of the Act, to determine whether or not the local law should be repealed or amended, did it give Statewide public notice stating that it intended to review the local law.	n/a		
15	s3.16(1)(2)	If the local government carried out a review of a local law under section 3.16 of the Act, to determine whether or not the local law should be repealed or amended, did it give Statewide public notice advising that a copy of the local law could be inspected or obtained at the place specified in the notice.	n/a		
16	s3.16(1)(2)	If the local government carried out a review of a local law under section 3.16 of the Act, to determine whether or not the local law should be repealed or amended, did it give Statewide public notice detailing the closing date for submissions about the local law.	n/a		
17	s3.16(3)	Did the local government (after the last day for submissions) prepare a report of the review and have it submitted to Council.	n/a		
18	s3.16(4)	Was the decision to repeal or amend a local law determined by absolute majority on all occasions.	n/a		

### Meeting Process

No	Reference	Question	Response	Comments	Respondent
1	s2.25(1)(3)	Where Council granted leave to a member from attending 6 or less consecutive ordinary meetings of Council was it by Council resolution.	n/a		
2	s2.25(1)(3)	Where Council granted leave to a member from attending 6 or less consecutive ordinary meetings of Council, was it recorded in the minutes of the meeting at which the leave was granted.	n/a		
3	s2.25(3)	Where Council refused to grant leave to a member from attending 6 or less consecutive ordinary meetings of Council, was the reason for refusal recorded in the minutes of the meeting.	n/a		



No	Reference	Question	Response	Comments	Respondent
4	s2.25(2)	Was Ministerial approval sought (on all occasions) before leave of absence was granted to an elected member in respect of more than 6 consecutive ordinary meetings of council.	n/a		
5	s5.4	On all occasions when the mayor or president called an ordinary or special meeting of Council, was it done by notice to the CEO setting out the date and purpose of the proposed meeting;	n/a		
6	s5.5	On all occasions when councillors called an ordinary or special meeting of Council was it called by at least 1/3 (one third) of the councillors, by notice to the CEO setting out the date and purpose of the proposed meeting.	n/a		
7	s5.5(1)	Did the CEO give each council member at least 72 hours notice of the date, time, place and an agenda for each ordinary meeting of Council.	Yes		
8	s5.5(2)	Did the CEO give each council member notice before the meeting, of the date, time, place and purpose of each special meeting of Council.	n/a		
9	s5.7	Did the local government seek approval (on each occasion as required) from the Minister or his delegate, for a reduction in the number of offices of member needed for a quorum at a Council meeting	n/a		
10	s5.7	Did the local government seek approval (on each occasion as required) from the Minister or his delegate, for a reduction in the number of offices of member required for absolute majorities.	n/a		
11	s5.8	Did the local government ensure all Council committees (during the review period) were established by an absolute majority.	n/a		
12	s5.10(1)(a)	Did the local government ensure all members of Council committees, during the review period, were appointed by an absolute majority (other than those persons appointed in accordance with section 5.10 (1)(b)).	Yes		
13	s5.10(2)	Was each Council member given their entitlement during the review period, to be appointed as a committee member of at least one committee, as referred to in section 5.9(2)(a) & (b) of the Act.	n/a		
14	s5.12(1)	Were Presiding members of committees elected by the members of the committees (from amongst themselves) in accordance with Schedule 2.3, Division 1 of the Act.	n/a		



No	Reference	Question	Response	Comments	Respondent
15	s5.12(2)	Were Deputy presiding members of committees elected by the members of the committee (from amongst themselves) in accordance with Schedule 2.3 Division 2 of the Act.	n/a		
16	s5.15	Where the local government reduced a quorum of a committee meeting, was the decision made by absolute majority on each occasion.	n/a		
17	s5.21 (4)	When requested by a member of Council or committee, did the person presiding at a meeting ensure an individual vote or the vote of all members present, were recorded in the minutes.	Yes		
18	s5.22(1)	Did the person presiding at a meeting of a Council or a committee ensure minutes were kept of the meeting's proceedings.	Yes		
19	s5.22(2)(3)	Were the minutes of all Council and committee meetings submitted to the next ordinary meeting of Council or committee, as the case requires, for confirmation.	Yes		
20	s5.22(2)(3)	Were the minutes of all Council and committee meetings signed to certify their confirmation by the person presiding at the meeting at which the minutes of Council or committee were confirmed.	Yes		
21	s5.23 (1)	Were all council meetings open to members of the public (subject to section 5.23(2) of the Act).	Yes		
22	s5.23 (1)	Were all meetings of committees to which a power or duty had been delegated open to members of the public (subject to section 5.23(2) of the Act).	n/a		
23	s5.23(2)(3)	On all occasions, was the reason, or reasons, for closing any Council or committee meeting to members of the public, in accordance with the Act.	Yes		
24	s5.23(2)(3)	On all occasions, was the reason, or reasons, for closing any Council or committee meeting to members of the public recorded in the minutes of that meeting.	Yes		
25	s5.24 (1) AR 5&6	Was a minimum time of 15 minutes allocated for questions to be raised by members of the public and responded to at every ordinary meeting of Council.	n/a		
26	s5.24 (1) AR 5&6	Was a minimum time of 15 minutes allocated for questions to be raised by members of the public and responded to at every special meeting of Council.	n/a		



No	Reference	Question	Response	Comments	Respondent
27	s5.24 (1) AR 5&6	Was a minimum time of 15 minutes allocated for questions to be raised by members of the public and responded to at every meeting of a committee to which the local government has delegated a power or duty.	n/a		
28	Admin Reg 8	Was a period of 30 minutes allowed from the advertised commencement time before any Council or committee was adjourned due to the lack of a quorum.	n/a		
29	Admin Reg 9	Was voting at Council or committee meetings conducted so that no vote was secret.	Yes		
30	Admin Reg 10(1)	Were all motions to revoke or change decisions at Council or committee meetings supported in the case where an attempt to revoke or change the decision had been made within the previous 3 months but failed, by an absolute majority.	n/a		
31	Admin Reg 10(1)	Were all motions to revoke or change decisions at Council or committee meetings supported in any other case, by at least one third of the number of officers of member (whether vacant or not) of the Council or committee.	n/a		
32	Admin Reg 10(2)	Were all decisions to revoke or change decisions made at Council or committee meetings made (in the case where the decision to be revoked or changed was required to be made by an absolute majority or by a special majority), by that kind of majority.	n/a		
33	Admin Reg 10(2)	Were all decisions to revoke or change decisions made at Council or committee meetings made in any other case, by an absolute majority.	n/a		
34	Admin Reg 11	Did the contents of minutes of all Council or committee meetings include the names of members present at the meeting.	Yes		
35	Admin Reg 11	Did the contents of minutes of all Council or committee meetings include where a member entered or left the meeting, the time of entry or departure, as the case requires, in the chronological sequence of the business of the meeting.	Yes		
36	Admin Reg 11	Did the contents of minutes of all Council or committee meetings include details of each motion moved at the meeting, including details of the mover and outcome of the motion.	Yes		
37	Admin Reg 11	Did the contents of minutes of all Council or committee meetings include details of each decision made at the meeting.	Yes		



No	Reference	Question	Response	Comments	Respondent
38	Admin Reg 11	Did the contents of the minutes of all Council or committee meetings include, where the decision was significantly different from written recommendation of a committee or officer, written reasons for varying that decision.	Yes		
39	Admin Reg 11	Did the contents of minutes of all Council or committee meetings include a summary of each question raised by members of the public and a summary of the response given.	n/a		
40	Admin Reg 11	Did the contents of minutes of all Council or committee meetings include in relation to each disclosure made under sections 5.65 or 5.70, where the extent of the interest has been disclosed, the extent of the interest.	n/a		
41	Admin Reg 12(1)	Did the local government, at least once during the period covered by this return, give local public notice for the next twelve months of the date, time and place of ordinary Council meetings.	Yes		
42	Admin Reg 12(1)	Did the local government, at least once during the period covered by this return, give local public notice for the next twelve months of the date, time and place of those committee meetings that were required under the Act to be open to the public or that were proposed to be open to the public.	n/a		
43	Admin Reg 12(2)	Did the local government give local public notice of any changes to the dates, time or places referred to in the question above.	n/a		
44	Admin Reg 12(3)(4)	In the CEO's opinion, where it was practicable, were all special meetings of Council (that were open to members of the public) advertised via local public notice.	n/a		
45	Admin Reg 12(3)(4)	Did the notice referred to in the question above include details of the date, time, place and purpose of the special meeting.	n/a		
46	Admin Reg 13	Did the local government make available for public inspection unconfirmed minutes of all Council meetings within 10 business days after the Council meetings.	No		
47	Admin Reg 13	Did the local government make available for public inspection unconfirmed minutes of all committee meetings within 5 business days after the committee meetings.	No		
48	Admin Reg 14(1)(2)	Were notice papers, agenda and other documents relating to any Council or committee meeting, (other than those referred to in Admin Reg 14(2)) made available for public inspection.	Yes		



No	Reference	Question	Response	Comments	Respondent
49	Admin Reg 14A	On all occasions where a person participated at a Council or committee meeting by means of instantaneous communication, (by means of audio, telephone or other instantaneous contact) as provided for in Administration Regulation 14A, did the Council approve of the arrangement by absolute majority.	n/a		
50	Admin Reg 14A	On all occasions where a person participated at a Council or committee meeting by means of instantaneous communication, (as provided for in Administration Regulation 14A) was the person in a suitable place as defined in Administration Regulation 14A(4)	n/a		
51	s5.27(2)	Was the annual general meeting of electors held within 56 days of the local government's acceptance of the annual report for the previous financial year.	n/a		
52	s5.29	Did the CEO convene all electors' meetings by giving at least 14 days local public notice and each Council member at least 14 days notice of the date, time, place and purpose of the meeting.	n/a		
53	s5.32	Did the CEO ensure the minutes of all electors' meetings were kept and made available for public inspection before the Council meeting at which decisions made at the electors' meeting were first considered.	n/a		
54	s5.33(1)	Were all decisions made at all electors' meetings considered at the next ordinary Council meeting, or, if not practicable, at the first ordinary Council meeting after that, or at a special meeting called for that purpose.	n/a		
55	s5.33(2)	Were the reasons for Council decisions in response to decisions made at all electors' meetings recorded in the minutes of the appropriate Council meeting.	n/a		
56	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all token gifts received by Council members and employees.	No		



<b>Miscellaneous Provisions</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s9.4	Has each person who received an unfavourable decision from Council, or from an employee of the local government exercising delegated authority, (that is appealable under Part 9 of the Act) been informed of his or her right to object and appeal against the decision.	n/a		
2	s9.29(2)(b)	On all occasions, were those employees who represented the local government in court proceedings, appointed in writing by the CEO.	n/a		

<b>Official Conduct</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer.	n/a		
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c).	n/a		
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made.	n/a		
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint.	n/a		
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred.	n/a		
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b)(c).	n/a		



<b>Tenders for Providing Goods and Services</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).	No		
2	F&G Reg 12	Has the local government, as far as it is aware, only entered into a single contract rather than multiple contracts so as to avoid the requirements to call tenders in accordance with F&G Reg 11(1).	Yes		
3	F&G Reg 14(1)	Did the local government invite tenders via Statewide public notice.	Yes		
4	F&G Reg 14(3)	Did all the local government's invitations to tender include a brief description of the goods and services required and contact details for a person from whom more detailed information could be obtained about the tender.	Yes		
5	F&G Reg 14(3)	Did all the local government's invitations to tender include information as to where and how tenders could be submitted.	Yes		
6	F&G Reg 14(3)	Did all the local government's invitations to tender include the date and time after which tenders would not be accepted.	Yes		
7	F&G Reg 14(3)(4)	Did the local government ensure information was made available to all prospective tenderers concerning detailed specifications of the goods or services required.	Yes		
8	F&G Reg 14(3)(4)	Did the local government ensure information was made available to all prospective tenderers of the criteria for deciding which tender would be accepted.	Yes		
9	F&G Reg 14(3)(4)	Did the local government ensure information was made available to all prospective tenderers about whether or not the local government had decided to submit a tender.	Yes		
10	F&G Reg 14(3)(4)	Did the local government ensure information was made available to all prospective tenderers on whether or not tenders were allowed to be submitted by facsimile or other electronic means and if so, how tenders were to be submitted.	Yes		
11	F&G Reg 14(3)(4)	Did the local government ensure all prospective tenderers had any other information that should be disclosed to those interested in submitting a tender.	Yes		



No	Reference	Question	Response	Comments	Respondent
12	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	Yes		
13	F&G Reg 15	Following the publication of the notice inviting tenders, did the local government allow a minimum of 14 days for tenders to be submitted.	Yes		
14	F&G Reg 16(1)	Did the local government ensure that tenders submitted, (including tenders submitted by facsimile or other electronic means) were held in safe custody.	Yes		
15	F&G Reg 16(1)	Did the local government ensure that tenders submitted, (including tenders submitted by facsimile or other electronic means) remained confidential.	Yes		
16	F&G Reg 16 (2)& (3)(a)	Did the local government ensure all tenders received were not opened, examined or assessed until after the time nominated for closure of tenders.	Yes		
17	F&G Reg 16 (2)& (3)(a)	Did the local government ensure all tenders received were opened by one or more employees of the local government or a person authorised by the CEO.	Yes		
18	F&G Reg 16 (3)(b)	Did the local government ensure members of the public were not excluded when tenders were opened.	Yes		
19	F&G Reg 16 (3)(c)	Did the local government record all details of the tender (except the consideration sought) in the tender register immediately after opening.	Yes		
20	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	Yes		
21	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	Yes		
22	F&G Reg 17 (2) & (3)	Does the local government's Tender Register include (for each invitation to tender) a brief description of the goods or services required.	Yes		
23	F&G Reg 17 (2) & (3)	Does the local government's Tender Register include (for each invitation to tender) particulars of the decision made to invite tenders and if applicable the decision to seek expressions of interest under Regulation 21(1).	No		



No	Reference	Question	Response	Comments	Respondent
24	F&G Reg 17 (2) & (3)	Does the local government's Tender Register include (for each invitation to tender) particulars of any notice by which expressions of interest from prospective tenderers were sought and any person who submitted an expression of interest.	No		
25	F&G Reg 17 (2) & (3)	Does the local government's Tender Register include (for each invitation to tender) any list of acceptable tenderers that was prepared under regulation 23(4)	No		
26	F&G Reg 17 (2) & (3)	Does the local government's Tender Register include (for each invitation to tender) a copy of the notice of invitation to tender.	Yes		
27	F&G Reg 17 (2) & (3)	Does the local government's Tender Register include (for each invitation to tender) the name of each tenderer whose tender was opened.	Yes		
28	F&G Reg 17 (2) & (3)	Does the local government's Tender Register include (for each invitation to tender) the name of the successful tenderer.	No		
29	F&G Reg 17 (2) & (3)	Does the local government's Tender Register include (for each invitation to tender) the amount of consideration or the summary of the amount of the consideration sought in the accepted tender.	No		
30	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		
31	F&G Reg 21(3)	On each occasion that the local government decided to invite prospective tenderers to submit an expression of interest for the supply of goods or services, did the local government issue a Statewide public notice.	n/a		
32	F&G Reg 21(4)	Did all public notices inviting an expression of interest, include a brief description of the goods and services required.	n/a		
33	F&G Reg 21(4)	Did all public notices inviting an expression of interest, include particulars of a person from whom more detailed information could be obtained.	n/a		
34	F&G Reg 21(4)	Did all public notices inviting an expression of interest, include information as to where and how expressions of interest could be submitted.	n/a		
35	F&G Reg 21(4)	Did all public notices inviting an expression of interest, include the date and time after which expressions of interest would not be accepted.	n/a		



No	Reference	Question	Response	Comments	Respondent
36	F&G Reg 22	Following the publication of the notice inviting expressions of interest, did the local government allow a minimum of 14 days for the submission of expressions of interest.	n/a		
37	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	n/a		
38	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	n/a		
39	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	n/a		
40	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government prepare a proposed regional price preference policy (only if a policy had not been previously adopted by Council).	n/a		
41	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government give Statewide public notice of its intention to have a regional price preference policy and include in that notice the region to which the policy is to relate (only if a policy had not been previously adopted by Council).	n/a		
42	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government include in the notice details of where a complete copy of the proposed policy may be obtained (only if a policy had not been previously adopted by Council).	n/a		
43	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government include in the notice a statement inviting submissions commenting on the proposed policy, together with a closing date of not less than 4 weeks for those submissions (only if a policy had not been previously adopted by Council).	n/a		
44	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government make a copy of the proposed regional price preference policy available for public inspection in accordance with the notice (only if a policy had not been previously adopted by Council).	n/a		



No	Reference	Question	Response	Comments	Respondent
45	F&G Reg 11A(1)	Has the local government prepared and adopted a purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$100,000 or less or worth \$100,000 or less.	Yes		
46	F&G Reg 11A(3)(a)	Did the purchasing policy that was prepared and adopted make provision in respect of the form of quotations acceptable.	Yes		
47	F&G Reg 11(3)(b)	Did the purchasing policy that was prepared and adopted make provision in respect of the recording and retention of written information, or documents for all quotations received and all purchases made.	Yes		

**ATTACHMENT TWO**  
**TO ITEM 3**  
**AUDIT COMMITTEE MEETING**  
**9 APRIL 2009**  
**FINAL AUDIT REPORT**

***AUDIT-IN-CONFIDENCE***

**MINDARIE REGIONAL COUNCIL**



**2008 COMPLIANCE AUDIT RETURN**

**FINAL AUDIT REPORT**

**INTRODUCTION**

1. The Department of Local Government Act 1995 requires a local government authority to carry out a compliance audit for the period 1 January to 31 December. Mindarie Regional Council (MRC) has completed the return for the 2008 calendar year using internal resources. The Compliance Return is to be –

- Presented to Council at a meeting of Council.
- Adopted by the Council.
- Recorded in the minutes of the meeting at which it is adopted.

2. The Department of Local Government and Regional Development increased the number of questions in its Annual Compliance Return from 257 in 2007 to 258 in 2008. The 2008 Compliance Return covered 11 areas with the MRC achieving a high level of compliance. The results of the independent 2008 compliance audit are as follows -

Section	Section Name	Yes answers	No answers	Not Applicable answers	Total
a)	Commercial Enterprises by Local Governments	5	0	0	5
b)	Delegation of Power/Duty	7	1	5	13
c)	Disclosure of Interest	3	6	4	13
d)	Disposal of Property	0	0	2	2
e)	Finance	39	3	32	74
f)	Local Government Employees	6	2#	14	22
g)	Local Laws	0	0	18	18
h)	Meeting Processes	17	3	36	56
i)	Miscellaneous Provisions	0	0	2	2
j)	Official Conduct	0	0	6	6
k)	Tenders for providing Goods and Services	27	6	14	47
<b>Total</b>		<b>104</b>	<b>21</b>	<b>133</b>	<b>258</b>

3. It is noted that of the 21 “No” answers, 20 represented an unfavourable outcome and 1, Q12 denoted above with a #, represented a “favourable” outcome”. The “No” answers with an unfavourable outcome has increased from 10 in 2007 to 20 in 2008. This is still a satisfactory result as it represents an 83% compliance rate.

### AUDIT OBJECTIVE

4. The Audit covered the period 1 January to 31 December 2008.
5. This audit involved the completion of the standard and current Compliance Return of the Department of Local Government and Regional Development and involved:
  - Interviews with relevant staff members.
  - Review of agendas and minutes.
  - Review of supporting documentation and records.
  - Testing on a sample basis, where applicable, of the degree of compliance with the requirements of the Compliance Return.

### POSITIVE DEVELOPMENTS

6. Most Local Government Authorities complete their annual Compliance Return using internal resources.
7. At the request of council the MRC completed the 2008 Compliance Return internally after the 2007 Compliance Return was completed by an external consultant. The independent review was conducted by Graham McAtominey, a contract accountant with initial experience of 2 years external audit and over 18 years experience in finance and accounting, with the report outcomes providing the opportunity to maximise the continuous improvement benefits.

### Instances of Non Compliance

8. The review identified 20 instances of procedural non-compliance with the 258 individual requirements of the Compliance Return.

<b>Observation 1</b>	Delegation of Power/Duty	Page 5
<b>Observation 2</b>	Disclosure of Interest	Page 6
<b>Observation 3</b>	Finance	Page 8
<b>Observation 4</b>	Local Government Employees	Page 10
<b>Observation 5</b>	Meeting Processes	Page 11
<b>Observation 6</b>	Tenders for the provision of Goods & Services	Page 12

9. Details of non-compliance matters are reported from page 5.

**CONCLUSION**

10. Overall, the MRC has a high (83%) level of compliance with the requirements of the annual return of the Department of Local Government and Regional Development. The audit however identified a number of areas of non-compliance that will present opportunities for continuous improvement in 2009.

11. Graham McAtominey would like to thank the MRC staff members for their professional, courteous and prompt assistance during the audit, particularly Kalwant Dhillon, Mike Tolson, Kathleen van Son and their staff.

.....  
Graham McAtominey  
10 March 2008

**Observation 1 - Delegation of Power/Duty**

**1.1 Compliance Return Requirement**

Question 11 on page 2 of the Annual Compliance Return asks -  
"Has the CEO kept a register of all delegations made under the Act to him and to other employees?" (with reference to the Local Government Act s5.46(1)).

**Details of non - compliance**

All delegations made have been included in various files, records and minutes. While the delegations made to the CEO were approved by Council during the year and the CEO has delegated his powers and duties in writing to other employees acting in the position of CEO during 2008, they were not included in a Register of delegations.

**Recommendation**

A register of all delegations made under the Act to the CEO and from the CEO to other employees be maintained.

**Management Comment**

Agreed.

## **Observation 2 – Disclosure of Interest**

### **2.1 Compliance Return Requirement**

Question 5 on page 3 of the Annual Compliance Return asks -

“Was a primary return lodged by all newly designated employees within three months of their start day?” (with reference to the Local Government Act s5.75(1) and Administration Reg 22 Form 2).

Question 7 on page 3 of the Annual Compliance Return asks -

“Was an annual return lodged by all designated employees by 31 August 2008?” (with reference to Local Government Act s5.76(1) and Administration Reg 23 Form 3).

### **Details of non - compliance**

Employees acting as the CEO are classed as designated employees and are required to complete a primary return (form 2) and annual return (form 3). During 2008 the CEO delegated in writing under s5.44(2) the powers or duties of the CEO to an employee who was acting in his position while the CEO was on annual leave. The employees did not complete a primary or annual return.

### **Recommendation**

An employee who acts in the position of CEO completes a primary return (form 2) within 3 months of the powers or duties of the CEO being delegated to them and completes an annual return (form 3) by 31 August each year.

### **Management Comment**

Agreed. As part of continuous improvement, management will be implementing this practice for 2009.

### **2.2 Compliance Return Requirement**

Question 6 on page 3 of the Annual Compliance Return asks

“Was an annual return lodged by all continuing elected members by 31 August 2008?” (with reference to the Local Government Act s5.76(1) and Administration Reg 23 Form 3).

### **Details of non - compliance**

The annual return reconciliation for 30 June 2008 indicates that 3 elected members lodged their annual returns in September 2008.

### **Recommendation**

The annual return is lodged by all continuing elected members by 31 August of each year.

### **Management Comment**

Agreed.

**Observation 2 – Disclosure of Interest (continued)**

**2.3 Compliance Return Requirement**

Question 8 on page 3 of the Annual Compliance Return asks

“On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO’s return) on all occasions, give written acknowledgment of having received the return?” (with reference to the Local Government Act s5.77).

**Details of non - compliance**

Written Acknowledgments were given by the CEO for all annual returns received in 2008. Councillors appointed in Dec 07 completed their primary returns in 2008 but no written acknowledgment of having received the primary return was given.

**Recommendation**

On receipt of a primary return the CEO to provide written acknowledgment to members of having received the return.

**Management Comment**

Agreed.

**2.4 Compliance Return Requirement**

Question 10 on page 3 of the Annual Compliance Return asks

“Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28?” (with reference to the Local Government Act s5.88 (1) (2) and Administration Reg 28).

Question 11 on page 3 of the Annual Compliance Return asks

“Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76?” (with reference to Local Government Act s5.88 (3)).

**Details of non - compliance**

s5.88 (2) (b) requires the register to record the following disclosures in the form prescribed by Reg 28:

- a) s5.65 - Members’ interests in matters to be discussed at meetings
- b) s5.70 - Employees to disclose interests relating to advice or reports
- c) s5.71 - Employees to disclose interests relating to delegated functions

The primary and annual returns lodged under section 5.75 and 5.76 contain information on financial interests and have been stored in particular files and records. However as no register of financial interests was kept in the form required under s5.88 then the return of Councillor Paul Miles wasn't removed when he ceased to be a person required to lodge a return.

**Recommendation**

- a) A register of financial interests be maintained in line with s5.88 and Admin Reg 28.
- b) All returns are removed from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.

**Management Comment**

Agreed. Although the collective returns can be construed as a ‘Register’ of Financial Interest then as part of the continuous improvement the electronic summary will be maintained in the future.

### **Observation 3 – Finance**

#### **3.1 Compliance Return Requirement**

Question 4 on page 4 of the Annual Compliance Return asks -  
“Did the CEO give local public notice of the availability of the annual report as soon as practicable after the local government accepted the report?” (with reference to the Local Government Act s5.55).

#### **Details of non - compliance**

The 2007 annual report was accepted at the Ordinary Council Meeting on 13-12-07 and was advertised after 4 1/2 months on Sat 3-5-08. The timeframe of 4 1/2 months appears to be longer than is practicable. Continuous improvement occurred in 2008 as the 2008 annual report was accepted at the Ordinary Council Meeting on 11-12-08 and was advertised after around 2 months on 14-2-09.

#### **Recommendation**

The local public notice of the availability of the annual report is placed within a reasonable time after the local government accepts the report.

#### **Management Comment**

Agreed to adopt the recommendation as part of a continuous improvement process.

#### **3.2 Compliance Return Requirement**

Question 6 on page 4 of the Annual Compliance Return asks,  
“After a plan for the future or modifications to a plan were adopted under regulation 19C, did the local government give public notice in accordance with subsection (2)?” (with reference to Administration Regulation 19D).

#### **Details of non - compliance**

The plan for the future was included in the annual report and the revised Strategic plan was approved by council in 2008 by an absolute majority. However no local public notice was given in accordance with regulation 19D.

#### **Recommendation**

The plan for the future is advertised under local public notices as soon as is practical after being adopted under regulation 19C.

#### **Management Comment**

Information is available on the website and management will endeavour to advertise in the papers in the future.

**Observation 3 – Finance (continued)**

**3.3 Compliance Return Requirement**

Question 23 on page 6 of the Annual Compliance Return asks, “Was the annual financial report, prepared for the financial year ended 30 June 2008, submitted to the Auditor by 30 September 2008 or by the extended time allowed by the Minister or his delegate?” (with reference to the Local Government Act s6.43(3) (b)).

**Details of non - compliance**

A new contract for the provision of audit services was awarded in August 2008 resulting in a change of auditors. The auditors received draft financial reports (Trial Balance, Loan Schedule, Statement of Investing Activities, Balance Sheet, Income Statement by Department and Income Statement by Nature and Type) for the year ended 30 June 2008 on 3<sup>rd</sup> September 2008. The auditors received the draft annual report in early November during the audit with the final annual report given to them on 20<sup>th</sup> November 2008.

**Recommendation**

The annual financial report is submitted to the Auditor by 30 September each year or by the extended time allowed by the Minister or his delegate.

**Management Comment**

Agreed to adopt the recommendation as part of a continuous improvement process.

## **Observation 4 – Local Government Employees**

### **4.1 Compliance Return Requirement**

Question 10 on page 11 of the Annual Compliance Return asks -

“Was the performance of each employee, employed for a term of more than one year, (including the CEO and each senior employee), reviewed within the most recently completed 12 months of their term of employment?” (with reference to the Local Government Act s5.38).

### **Details of non - compliance**

The total number of employees employed for more than a year is 31 with 23 having a performance review completed in 2008 and 8 employees had no review conducted within the most recently completed 12 months of their term of employment. It is noted that a plan is in place for 2009 to complete performance reviews in the operations area of the 8 employees who had no review in 2008.

### **Recommendation**

The performance of each employee employed for a term of more than one year is reviewed in 2009 within the most recently completed 12 months of their term of employment.

### **Management Comment**

Noted. The performance review system is currently being reviewed and these matters will be taken into account to ensure compliance.

## **Observation 5 – Meeting Processes**

### **5.1 Compliance Return Requirement**

Question 46 on page 18 of the Annual Compliance Return asks -

“Did the local government make available for public inspection unconfirmed minutes of all Council meetings within 10 business days after the Council meetings?” (with reference to Admin Regulation 13).

Question 47 on page 18 of the Annual Compliance Return asks -

“Did the local government make available for public inspection unconfirmed minutes of all committee meetings within 5 business days after the committee meetings?” (with reference to Admin Regulation 13).

### **Details of non - compliance**

The unconfirmed minutes of all Council meetings were sent to 2 public libraries within 10 business days of the meetings with the exception of the meeting on 3 July 2008 which was 14 business days. The unconfirmed minutes are made available for public inspection on the website of Mindarie Regional Council and 4 council meetings in 2008 were loaded onto the web more than 10 business days after the date of council meetings. Continuous Improvement occurred in 2008 with the unconfirmed minutes of the last 2 Council meetings on 23 October 2008 and 11 December 2008 made available on the website within 10 business days after the date of council meetings.

The unconfirmed minutes of the Audit Committee meetings held on 24 April 2008 and 18 August 2008 are now available for public inspection on the web page of Mindarie Regional Council but weren't made available within 5 business days after the date of the audit committee meetings.

### **Recommendation**

The unconfirmed minutes for the Council meetings and Audit Committee meetings are made available for public inspection within 10 business days after the Council meetings and within 5 business days after the Audit Committee meetings.

### **Management Comment**

The recommendations of the Audit Committee need to be adopted by the Council prior to being available to the public.

### **5.2 Compliance Return Requirement**

Question 56 on page 19 of the Annual Compliance Return asks -

“Has the CEO kept a register of all token gifts received by Council members and employees?” (with reference to the Local Gov't Act s5.103 (3) and Admin Reg 34B).

### **Details of non - compliance**

Each gift is recorded on a declaration of receipt of gift form (this contains the information for the register) and is entered onto the records management system. However no register is maintained that contains the information required for notifiable gifts per Admin Regulation 34B.

### **Recommendation**

A register of all notifiable gifts received by Council members and employees be kept in accordance with Admin Regulation 34B.

### **Management Comment**

Agreed.

## **Observation 6 – Tenders for the provision of Goods & Services**

### **6.1 Compliance Return Requirement**

Question 1 on page 21 of the Annual Compliance Return asks -

“Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2))?” (with reference to the Local Government Act s3.57 and Functions and General Regulation 11).

### **Details of non - compliance**

A review was performed of all vendors that have provided goods and services to Mindarie during the 2008 calendar year with a value > \$100,000. Whilst the majority of vendors had provided goods and services as a result of a public tender process the review identified 5 vendors that provided goods and services with a value > \$100,000 where no public tender process was conducted. As a matter of best practice it would be prudent to monitor on a regular basis the total value of goods and services provided by vendors to ensure the early identification of situations where a public tender process needs to be initiated.

### **Recommendation**

Mindarie Regional Council considers inviting public tenders in 2009 for the 5 vendors that provided goods and services with a value > \$100,000 where no public tender process was conducted and uses this opportunity for continuous improvement to monitor on a regular basis the total value of goods and services provided by vendors to identify situations when a public tender process needs to be initiated.

### **Management Comment**

Management has already been considering adopting the above approach as part of the continuous improvement process.

### **6.2 Compliance Return Requirement**

Questions 23 to 25, 28 and 29 on pages 22 and 23 of the Annual Compliance Return asks, if in accordance with the Functions and General Regulation 17, if

The tender register includes, for each invitation to tender -

Q23 - particulars of the making of -

- (i) the decision to invite tenders; and
- (ii) if applicable, the decision to seek expressions of interest under regulation 21(1);

Q24 & 25 particulars of -

- (i) any notice by which expressions of interests from prospective tenderers was sought;
- (ii) any person who submitted an expression of interest; and
- (iii) any list of acceptable tenderers that was prepared under regulation 23(4);

Q28 - the name of any successful tenderer; and

Q29 - the amount of the consideration or a summary of the amount of the consideration sought in the tender accepted by the local government.

**Observation 6 – Tenders for the provision of Goods & Services (continued)**

**Details of non - compliance**

Q23 – The Register didn't include for Tenders 13/88, 13/89, 13/90 and 13/91 the particulars of the decision made to invite tenders, even though the decision has been minuted. In all cases the decision to seek expressions of interest under Regulation 21(1) was not applicable.

Q24 & 25 - No expressions of interest were sought during 2008 so no person submitted an expression of interest and no list of acceptable tenderers was prepared under regulation 23(4). However the Tender Register includes no reference to these being not applicable.

Q28 & 29 - Whilst the name of any successful tenderer and the amount of the consideration of the accepted tender was included in various files, minutes and the records management system (TRIM) it was not included in a Tender Register.

It is noted that the 2007 Compliance Audit found that while the required information for tenders was included in various files and minutes it was not included in a Tender Register. Since then a Tender Register has been kept and improvements have occurred in the processes and forms used to collect the information for the Tenders Register.

**Recommendation**

As an opportunity for continuous improvement the Tender Register includes the following information;

Q23 –the particulars of the decision made to invite tenders and the decision to seek expressions of interest under Regulation 21(1) or record if it was not applicable.

Q24 & 25 – an indication for each tender that no expressions of interest were sought, submitted and no acceptable tenderers were chosen; and

Q28 & 29 - The name of any successful tenderer and the amount of the consideration of the accepted tender.

**Management Comment**

Agreed.

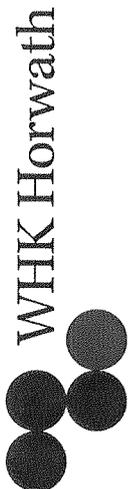
**6.3 Best Practice Matter**

The 2007 Compliance Audit identified a matter that was not a breach of the requirements of the Annual Compliance Return but was reported as an opportunity for the MRC to improve its management of the legal risks associated with tenders. The best practice matter was that the public notice for all tenders should include the wording "the lowest or any tender(s) need not necessarily be accepted."

The public notices issued early in 2008 for tenders numbered 13/85, 13/87, 13/88 and 13/89 did not include this wording. However since the 2007 Compliance Audit was approved in April 08 the wording was applied to the public notice for tender 13/90, advertised 14 July 08, and all subsequent public notices for tenders.

**ATTACHMENT THREE**  
**TO ITEM 8.2.3**  
**ORDINARY COUNCIL MEETING**  
**23 APRIL 2009**  
**2008/09 AUDIT PLAN AND APPROACH**

Mindarie Regional Council  
Audit Strategy Document  
For the year ending 30 June 2009



9 February 2009

The Members of the Council  
Mindarie Regional Council  
35 Denninup Way  
MALAGA WA 6090

Dear Sirs

**MINDARIE REGIONAL COUNCIL PTY LTD ("MRC") AUDIT STRATEGY DOCUMENT FOR THE YEAR ENDED 30 JUNE 2009**

This 'Audit Strategy Document' has been prepared in order to highlight the key elements in the proposed strategy for the 30 June 2009 year end audit of Mindarie Regional Council. The purpose of this document is further detailed in Section 1.

We look forward to the forthcoming audit and working with you.

Yours faithfully

WHK HORWATH PERTH AUDIT PARTNERSHIP

*Nicholas Hollens*

NICHOLAS HOLLENS  
Principal

*Total Financial Solutions*

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A WHK Group firm

*Horwath refers to Horwath International Association, a Swiss Verein.  
Each member of the Association is a separate and independent legal entity.*



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Appendix A	New and revised financial reporting requirements for 30 June 2009
Appendix B	Quality assurance, communication with the Council and roles and responsibilities

# 1. Engagement terms and objectives

## 1.1. ENGAGEMENT TERMS

The purpose of this document is to highlight the key elements of the proposed strategy for the audit of Mindarie Regional Council for the year ending 30 June 2009.

Our engagement letter sets out our terms of reference as auditors and will be provided to the Council for review at the completion of our planning during April 2009.

## 1.2. ENGAGEMENT OBJECTIVES

Our engagement objectives are as follows:

- to conduct an audit of the financial statements of the Council for the year ending 30 June 2009;
- to produce a concise and constructive report of key issues to Management;
- to prepare a management letter reporting our findings on the design effectiveness of the Council's governance controls, internal controls, systems and processes; and
- to ensure compliance with Australian Equivalents to International Financial Reporting Standards (AIFRS).

## 1.3. INDEPENDENCE

We have established policies and procedures designed to ensure our independence, including policies on holding financial interests in the Council and other related parties, business relationships, employment relationships, and the provision of non-audit services.

We confirm that, to the best of our knowledge and belief, we currently meet the independence requirements of the Corporations Act 2001 in relation to the audit of the financial report. We also confirm that we have the appropriate processes in place to allow us to meet the independence requirements of the Corporations Act 2001. In conducting our audit of the financial report, should we become aware that we have contravened the independence requirements of the Corporations Act 2001, we shall notify you immediately. As part of our audit process, we will also provide you with a written independence declaration as required by the Corporations Act 2001.

The Corporations Act 2001 includes specific restrictions on the employment relationships that can exist between the entity and its auditors. To assist us in meeting the independence requirements of the Corporations Act 2001, we request you discuss with us:

- The provision of services offered to you by WHK Horwath prior to engaging or accepting the service, and
- The prospective employment opportunities of any current or former Principal or professional employee of WHK Horwath prior to the commencement of formal employment discussions.

## 1.4. CONTROLS TESTING

Our audit is not designed to test all internal controls or identify all areas of control weakness. As part of our audit process we will document the systems and controls in place within the following critical areas account balance:

- Revenue;
- Receivables;
- Property, Plant and Equipment; and
- Restoration Provisions.

Our findings from this review will be incorporated into our management letter which will be provided to management at the completion of the audit.

As a result of the above, our work cannot be relied upon necessarily to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive and wide ranging specific examination might develop.

A complete internal control review can often add significant value to the business by identifying internal control weakness and recommendations

for improvement. We would be pleased to discuss any further work in this regard with the Council.

#### **1.5. OTHER MATTERS**

We set out further information in Appendix B covering:

- audit quality assurance;
- communication with the Council; and
- roles and responsibilities of the Council.

#### **1.6. CONFIDENTIALITY**

This document is strictly confidential and although it has been made available to management to facilitate discussions, it may not be taken as altering our responsibilities to the Council arising under our audit engagement letter.

The contents of this Audit Strategy Document should not be disclosed to third parties without our prior written consent.

## 2. Financial reporting matters

### 2.1. PRIOR YEAR SIGNIFICANT ISSUES IMPACTING THE 2009 AUDIT

Issue	Resolution	Impact on 2008/2009 audit
<p><b>Amortisation of excavation asset</b></p> <p>Amortisation of excavation asset was identified as a critical area due to the estimation involved in identifying the assumed amortisation rate.</p>	<p>WHK recalculated the assumed amortisation rate, in line with <b>AASB138: Intangible Assets</b>, using the information available to the Mindarie Regional Council at the commencement of the reporting period as it best matched the cost to the entity against associated revenues.</p> <p>WHK considered the effect the increase in waste volumes would have on the amortisation charge of the current and future reporting periods. WHK believed that the amount was immaterial and although the useful economic life of the asset was effectively accelerated, this is reviewed annually and amended going forward.</p>	<p>WHK will continue to consider the amortisation of excavation asset as a risk area due to estimation and judgement involved in the identifying the assumed amortisation rate.</p>

**Rehabilitation Asset and Provision**

The rehabilitation asset and provision are required to recognise the future liability to be incurred in respect of the decommissioning of the tips in accordance with **AASB116: Property, Plant and Equipment**.

WHK are not sufficiently familiar with the local legal requirements imposed by the member Councils in respect of the restoration of the excavation of Phase 3 at Tamala Park. In this respect WHK received representation that no current liability exists for the excavation works undertaken in this area.

WHK were however otherwise satisfied that the calculation and underlying assumptions of the rehabilitation provision and assets were been correctly calculated.

WHK will review the calculation and underlying assumptions of the rehabilitation provision, and determine whether the assets have been correctly calculated.

Representation will be required if not possible to determine conclusively if a rehabilitation provision is required.

<p><b>Resource Recovery Facility and Associated Borrowing Costs</b></p> <p>The RRF Facility costs were identified as a critical audit area due to the implications involved with the correct capitalisation of expenditure per <b>AASB116: Property, Plant and Equipment</b>.</p> <p>The borrowing costs were identified as a critical audit area due to the obligations arising from '<b>Amendments to Australian Accounting Standards AASB 2007-6</b>'. Under <b>AASB 2007-6</b>, for periods starting from 1 January 2009 it will be mandatory for all entities to adopt the capitalisation model for borrowing costs incurred in the construction of a qualifying asset.</p>	<p>WHK reviewed the asset and were satisfied that the costs, although predominantly relating to directly attributable legal and professional costs, meet the requirements of <b>AASB116</b> and have been appropriately capitalised. WHK were also satisfied that no depreciation has been charged since the asset has not been brought to use.</p> <p>WHK advised management of the impending accounting changes and noted that this will be duly considered going forward.</p>	<p>WHK will continue review the asset to determine that capitalised costs meet the requirements of <b>AASB116</b> and have been appropriately capitalised.</p> <p>WHK will also review the borrowing costs attributable to the asset to conclude whether management have capitalised borrowing costs inline with <b>AASB 2007-6</b>.</p>
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**2.2. PRIOR YEAR MANAGEMENT LETTER ISSUES**

Below is a summary of the prior year management letter issues, the status of which will be revisited again during the planning stage of the 2009 audit.

Issue	Management Comment
<p><b>Maintenance of Fixed Asset Registers</b></p> <p>During our review of the Fixed Asset Register, instances were identified where assets and depreciation calculations had not been accurately maintained. This resulted in (immaterial) differences being identified in the review of the year end balances.</p>	<p>Management resolved this during audit fieldwork and adjustment made in the final accounts.</p>
<p><b>Discrepancies Identified in the calculation of Long Service Leave</b></p> <p>The review of the Long Service Leave (LSL) provision identified instances where there were discrepancies in the calculation of LSL. The discrepancies were immaterial to our assessment of the audit however accurate recording is recommended in order to avoid disputes with current, or ex-employees. This is of particular relevance since employees are able to transfer their LSL should they transfer to another Government department.</p>	<p>Management considered and resolved on finalisation of accounts.</p>

### 3. Global Financial Crisis – Issues affecting the 30 June 2009 audit

The recent Global Financial Crisis (GFC) has savaged economy and raised a number of issues for companies. These issues mean that certain key areas of business are impacted and as a result require more focus by management and the audit team than in prior years.

These areas are outlined below:

#### 3.1.1. Impairment of Non-Financial Assets

- Recent declines in the economic environment, increases in the cost of finance due to reduced availability of credit, significant decreases in market prices of non-current assets or asset groups and adverse changes in the business climate may indicate an impairment of many of the Council's assets. These include:

- Property, plant and equipment;
- Resource Recovery Facility;
- Excavation Asset; and
- Rehabilitation Asset.

- An asset will be impaired whenever its carrying amount exceeds its recoverable amount (the higher of value-in-use and fair value less costs to sell). If any indication of impairment exists, the Council will be required to estimate the recoverable amount of the asset to determine the existence and amount of any impairment loss.

#### 3.1.2. Value-in Use Calculations

- Careful consideration of the cash flow projections, discount rates and 'current' sales prices used in value-in-use calculations in respect to the landfill model will be critical in terms of their supportability and reasonableness given market conditions.

Key principles to bear in mind include:

- estimated cash flows and discount rates should be free from both bias and factors unrelated to the asset in question;
- estimated cash flows or discount rates should reflect a range of possible outcomes, rather than a single, most likely, minimum or maximum possible amount;

- cash flow projections should be based on the most recent financial budgets/forecasts approved by management, covering a maximum period of five years, unless a longer period can be justified; and
- projections of cash flows beyond the period covered by the most recent budgets/forecasts should be estimated by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified based on objective information about patterns over a product or industry lifecycle.

## 4. Our audit approach

### 4.1. AUDIT STRATEGY

Our audit approach requires us to gain an understanding of Mindarie Regional Council business to help us:

- identify where misstatements could occur in the financial statements, thus better focusing our audit efforts;
- tailor our audit procedures to achieve an effective and efficient audit; and
- determine whether the use of an "expert" is required to assist us in achieving our audit objectives.

Our audit process generally contains three phases being planning, fieldwork and completion.

The planning phase is critical to the audit process as this is where we create tailored work programmes that address the audit risks and needs of each entity subject to audit.

The most critical aspect of our planning is the assessment of risk and consideration of where material misstatements could occur. This includes an inherent risk assessment at the financial statement level and identification of critical account balances.

Audit attention is then focused on critical assertions and identified financial statements risks where material misstatements could occur.

Control risk is also assessed for each critical balance or cycle.

We control the risk in our audit by applying an Audit Risk Model to the critical assertions within each balance sheet and income statement line item. The use of the Audit Risk Model allows us to combine the effects of different types of audit evidence.

### 4.2. AUDIT RISK

As mentioned above, the key part of our planning is to undertake an assessment of audit risk. Audit risk is the risk that material misstatement exists in the financial statements and will not be detected, by our audit procedures. Audit risk consists of three components:

- Inherent risk;
- Control risk; and
- Detection risk.

**Inherent risk** is the susceptibility of an account balance or the financial statements being materially misstated, assuming there are no controls.

**Control risk** is the risk that a material misstatement will not be prevented or detected on a timely basis by the internal control policies or procedures.

**Detection risk** is the risk that material misstatements will not be detected by our audit procedures.

**4.3. AUDIT RISK MODEL**

Detection risk bears an inverse relationship to control risk and inherent risk. The less the inherent and control risk believed to exist, the greater the detection risk that can be accepted. Conversely, the greater the inherent risk and control risk, the less the detection risk that can be accepted.

$$AR = IR \times CR \times DR$$

**Assessment of inherent risk**

Our assessment of inherent risk considers inherent risk indicators which include conditions, events and characteristics of the entity and its environment. Our assessment of inherent risk for the 30 June 2009 audit of the Mindarie Regional Council is medium due to the complex calculations involved in the provision of rehabilitation, and the amortisation of excavation asset; together with increased risk of material misstatement in relation to Global Financial Crisis (GFC) issues affecting the 30 June 2009 Audit, (refer to Section 3). This will be reassessed at the planning stage of the 2009 audit.

**Assessment of control risk**

Our assessment of control risk is based on evidence we obtain to support the effectiveness of the control policies and procedures in preventing or detecting material misstatements. The assessment also considers the overall control environment.

Based on our assessment of the design and implementation of the controls within the critical account balances and the overall control environment and governance structure for the 2008 audit we have assessed control risk to be medium. This again will be reassessed at the planning stage of the 2009 audit

**4.4. AUDIT STRATEGY MATRIX**

The WHK Horwath, ACE Audit Strategy Matrix is a methodology that matches the nature, timing and extent of substantive audit procedures to our assessment of inherent risk and control risk. It is an explicit application of the Audit Risk Model. Therefore, the higher our assessment of inherent risk and control risk, the greater the assurance we need to obtain from test of details and analytical procedures. Conversely, as inherent risk and control risk decreases, the less the assurance is required to be obtained from substantive procedures. In such circumstances, we would reduce the extent of our test of details and gather more audit evidence using analytical procedures.

Based on our assessment of inherent risk as medium and control risk as medium and using the ACE Audit Strategy Matrix, the audit approach for the council will take into account both test of detail and analytical procedures.

#### 4.5. OBJECTIVE OF AN AUDIT ENGAGEMENT

The year end financial statements are prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The objective of an audit of a financial report is to provide reasonable assurance as to whether the financial report is free of material misstatement.

In summary our year-end audit strategy comprises a four-stage approach as set out below.

##### Stage 1 – Planning and systems and controls review

- Reviewing the design and implementation of the internal financial control systems, including IT, to the extent that they have a bearing on the financial statements;
- Updating our understanding of the business through discussions with management and completion of the planning process; and
- Carrying out risk assessment and tailoring audit approach to address identified risk

##### Stage 2 – Final audit fieldwork for 30 June 2009

- Substantively testing balance sheet accounts as at 30 June 2009;
- Analytically reviewing the accounts comprising the results of operations for the year ending 30 June 2009; and
- Resolution of any issues at the planning stage of the audit.

#### Stage 3 – Review and completion

- Timely and efficient Manager and Principal review to enable your timetable to be met;
- Review of financial statements to ensure compliance with AIFRS and the Corporations Act 2001; and
- Key issues memorandum provided to management, detailing key audit findings.

We will be working closely with the finance team to ensure that we meet reporting deadlines and conduct the year-end audit efficiently, with the minimum of disruption to the Council's staff. Our year-end audit will be planned prior to commencement of the fieldwork, and timetables agreed with management.

#### 4.6. COMMUNICATION OF ADVERSE OR UNEXPECTED FINDINGS

We will communicate any adverse or unexpected findings affecting our audit on a timely basis with the appropriate person within the Council.

The actual or potential resolution of significant audit and accounting issues will be discussed and agreed with management and documented within our Key Issues Memorandum for the Management's consideration.

**4.7. CRITICAL AREAS**

The critical areas for audit purposes have been outlined below. We have also commented on our approach to these areas

*Critical Areas* are those where the susceptibility of an account balances to material misstatement, whether through complexity of the transactions or accounting treatment is judged as high.

*Not critical areas* are those that are material in size or by nature but where the susceptibility to material misstatement is lower.

The critical areas of the Council are deemed to be:

	Completeness	Existence/ occurrence	Valuation/ Accuracy	Rights and obligations	Cut-off	Presentation and disclosure
Revenue	✓	✓	✓		✓	
Property, Plant and Equipment	✓	✓	✓	✓		
Restoration Provision			✓	✓		
Going Concern Basis						✓
Financial statement disclosures						✓

In summary, we will adopt the following approach to the above areas:

**Revenue**

- Documenting internal control procedures to ensure appropriate completeness, existence and cut-off of revenue.
- Substantively and analytically testing revenue; and

**Restoration Provision**

- Obtain representation of current liabilities that may exist for the excavation work undertaken
- Review the calculation and underlying assumptions of the rehabilitations provision have been correctly calculated.

**Property, Plant and Equipment**

- Ensure that Property, Plant and Equipment is valued in line with appropriate depreciation rates; and
- Ensuring Property, Plant and Equipment is not subject to impairment issues as per AASB 136: *Impairment of Assets*.

**Going Concern**

- Detailed review of the Council's cash flow forecasts; and
- Discussions with management/directors on the reasonableness of key inputs in the cash flow forecasts.

**Financial Statement Disclosure**

- Ensuring that all disclosures are updated to reflect current economic and market risk conditions.
- Confirming correct treatment of post balance sheet event economic conditions.
- Ensuring AASB 101 changes have been adopted

**4.8. MATERIALITY**

In terms of ASA 320 *Materiality and Audit Adjustments* information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements.

Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point rather than being a primary qualitative characteristic which information must have if it is to be useful.

An item would be considered material to the financial statements if, through its omission or non-disclosure, the financial statements would no longer show a true and fair view.

An item of low value may be judged material by its nature (e.g. directors' emoluments) and an item of higher value may be judged not material, if it does not distort the truth and fairness of the financial statements.

Materiality is set at the planning stage to ensure that an appropriate level of audit work is conducted. It is also set at the reporting stage in order to assess the impact of an item on the financial statements. Any identified errors greater than 2% of materiality will be recorded on a

schedule of unadjusted errors, assessed individually and in aggregate, discussed with you and, if not adjusted, signed off by you as part of your letter of representation to us.

Based upon the 30 June 2008 financial statements, we have estimated a planning materiality as below. Upon completion of the planning phase of the 2009 audit, this materiality level will be updated with 2009 financial data.

Measure	Range	\$
Normalised income before taxes	3 – 6%	166,646
Revenue	.5 – 2%	107,470
Gross assets	1 – 2%	486,310
<b>Materiality</b>		<b>\$300,000</b>

## 5. Financial reporting issues

### 5.1. CHANGES TO AUSTRALIAN ACCOUNTING STANDARDS

There have been some changes to the accounting standards since 30 June 2008. We have listed below the key standards that have changed and which will impact the financial statements of Mindarie Regional Council. A more detailed list of the amendments to the accounting standards is included in Appendix A.

### 5.2. AASB 101 – 'PRESENTATION OF FINANCIAL STATEMENTS'

Changes for the AASB 101 – '*Presentation of financial statements*' are effective period beginning 1 January 2009

Key changes include changes to titles e.g. Balance Sheet to be named Statement of Financial Position, Income statement to be named Statement of Comprehensive Income and Cash flow Statement to be named Statement of Cash Flows.

The Standard introduces the concept of a Statement of Comprehensive Income which will also include items previously reflected in Statement of Changes in Equity e.g. revaluation gains/losses, gains/loss on remeasuring of available for sale financial assets.

### 5.3. AASB123 – 'BORROWING COSTS'

For all periods beginning 1 January 2009, entities are required to include in the cost of qualifying assets (as defined) borrowing costs that are directly attributable to such assets. The benchmark treatment under the previous version of the Standard (expensing all borrowing costs as incurred) has been eliminated. Note that the definitions of "borrowing costs" (interest and other costs that an entity incurs in connection with the borrowing of funds) and "qualifying asset" (an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are essentially unchanged from the previous version of AASB123. Similarly, the detailed criteria for the commencement, suspension and cessation of capitalisation remain the same.

## 6. Logistics

### 6.1. TIMETABLE

The following timetable has been proposed:

Event	Date
Audit planning including systems and controls review	7 May 2009
Commence Final Audit fieldwork	26 October 2009
Manager reviews	3 November 2009
Principal reviews	5 November 2009
Clearance meeting with management	11 December 2009
Statutory accounts and Audit opinion sign off	15 December 2009

It is essential that we work closely with your team to achieve the timetable proposed for the 2009 year-end audit.

### 6.2. ENGAGEMENT TEAM

Our engagement team for the audit will include:

Name	Role	Contact details
Nicholas Hollens	Engagement Principal	Nicholas.Hollens@whkhorwath.com.au
Stefan Kwaitkowski	Engagement Manager	Stefan.Kwaitkowski@whkhorwath.com.au

### 6.3. FEES

Based on the understanding of the Council's activities since 30 June 2008, we estimate our fee range for the 30 June 2009 audit as follows:

Year End Audit – Fee range	\$	\$
<b>Audit services</b>		
Year-end audit for 30 June 2008	25,000	25,000
Increase as per original tender	1,250	1,250
Increase in work required due to:		
- economic downturn (refer to items raised in section 3)	500	1,000
- ensuring compliance with financial reporting issues (refer to items raised in section 5)	500	500
<b>Total Fees (excluding GST of 10%)</b>	<b>27,250</b>	<b>27,750</b>

Our finalised fee will be detailed in our engagement letters, which will be provided at the completion of our planning procedures

Our estimated fees have been prepared under the following assumptions:

- Our fees are based on our understanding of the current size and operating activities of the Council;
- Should unforeseen events occur, such as significant asset/liability or revenue/expense growth, mergers, acquisitions, or significant audit adjustments, that would require additional time to complete our engagement in accordance with professional standards, we will discuss additional time commitment above 5% of our proposed fee

with you and mutually agree of a fair and reasonable adjustment to the proposed fee;

- The books and records have been maintained in a manner to allow for preparation of financial statements in accordance with generally accepted accounting principles without significant adjustment;
- Complete copies of the most recent externally prepared pricing models will be provided at the commencement of audit fieldwork;
- We anticipate assistance from your staff in locating files and documents;
- We assume that all the necessary supporting workpapers and reconciliations will be provided to us at the commencement of the audit;
- We have assumed we will receive an AIFRS compliant set of financial statements on the date that the consolidated entity final fieldwork commences;
- Review of no more than two drafts of the financial statements for the Council (we will be pleased to provide model financial statements during the planning stage of our audit);
- All necessary books and records including trial balances, general ledgers, source documentation and reconciliations, as specified on our 'requirements list', will be readily accessible and available when we commence our audit;
- Our fee incorporates an entrance and exit meeting with management for both Principal and Manager for 1 hour duration each. Any additional meeting required during the audit process will be charged at our standard hourly rates.

Any work outside the above scope will be billed separately after discussion with yourselves.

#### 6.4. BILLING SCHEDULE

Invoices will be raised as follows:

- 10% of the fee upon the delivery of this 'Audit Strategy Document';
- 20% of fee after planning has been completed;
- 60% of fee after final fieldwork has been completed; and
- 10% on the signing of the audit report.

Any additional costs will be billed as soon as they are agreed with management and these fees will be due when the fee notes are issued.

## Appendix A New and revised financial reporting requirements for 30 June 2009

The tables below outline the new and revised pronouncements that are either to be early adopted on a piecemeal basis for the first time at 30 June 2009, or left to a 'big bang' from 2009/10.

Where relevant, the recognition and measurement requirements of any relevant pronouncements would be applied where those pronouncements have been adopted.

New or revised requirement	Effective for annual reporting periods beginning/ending on or after
<i>New and revised IFRS-equivalent Standards</i>	
<p><b>AASB 101 Presentation of Financial Statements (revised September 2007), AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101</b></p> <p>The main changes from the previous version of AASB 101 are to require that an entity must:</p> <ul style="list-style-type: none"> <li>• present all non-owner changes in equity ('comprehensive income') either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income may not be presented in the statement of changes in equity</li> <li>• present an additional statement of financial position (balance sheet) as at the beginning of the earliest comparative period when the entity applies an accounting policy retrospectively, makes a retrospective restatement, or reclassifies items in its financial statements (this would generally mean that three balance sheets are presented in these circumstances)</li> <li>• disclose income tax relating to each component of other comprehensive income</li> <li>• disclose reclassification adjustments relating to components of other comprehensive income</li> </ul> <p>In what many Australian constituents may consider a 'back to the future' change, AASB 101 amends the titles of financial statements as follows:</p> <ul style="list-style-type: none"> <li>• 'balance sheet' will become 'statement of financial position'</li> </ul>	<p>(Beginning)                      1 January 2009</p>

New or revised requirement	Effective for annual reporting periods beginning/ending on or after
<p><i>New and revised IFRS-equivalent Standards</i></p> <ul style="list-style-type: none"> <li>'income statement' will become part of the 'statement of comprehensive income', unless a separate income statement is presented</li> <li>A 'cash flow statement' will become 'statement of cash flows'</li> </ul>	
<p><b>AASB 123 Borrowing Costs (revised), AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123</b></p> <p>AASB 123 is equivalent to IAS 23 of the same name and eliminates the option of expensing borrowing costs related to qualifying assets, instead requiring capitalisation. Transitional provisions require prospective application to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after the application date. However, an entity may designate any date before the application date and apply the Standard to borrowing costs relating to all qualifying assets for which the commencement date for capitalisation is on or after that date. The Amending Standard eliminates reference to the expensing option in various other pronouncements.</p>	<p>(Beginning) 1 January 2009</p>
<p><b>AASB 3 Business Combinations (2008), AASB 127 Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127</b></p> <p>Revised standards resulting from the joint IASB-FASB Business Combinations Phase II project, equivalent to revised IFRS 3 <i>Business Combinations</i> and IAS 27 <i>Consolidated and Separate Financial Statements</i>. Alters the manner in which business combinations and changes in ownership interest in subsidiaries are accounted for. There are also consequential amendments to other standards affected through AASB 2008-3, most notably AASB 128 <i>Investments in Associates</i> and AASB 131 <i>Interests in Joint Ventures</i>.</p>	<p><b>AASB 3</b> (Business combinations occurring after the beginning of annual reporting periods beginning 1 July 2009)</p> <p><b>AASB 127 and AASB 2008-3</b> (Beginning) 1 July 2009</p>

New or revised requirement	Effective for annual reporting periods beginning/ending on or after
<i>New and revised IFRS-equivalent Standards</i>	
<p><b>AASB 8 Operating Segments, AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8</b></p> <p>AASB 8 replaces AASB 114 <i>Segment Reporting</i> and introduces a new 'management approach' to segment reporting to align IFRS with US-GAAP. Unlike AASB 114, AASB 8 only applies to entities which have on issue any debt or equity securities that are traded in a public practice market (or which are in the process of issuing any class of instruments in a public market). Therefore, reporting entities that are out of scope of AASB 8 may wish to early adopt this Standard to avoid segment reporting in their financial reports.</p>	<p>(Beginning) 1 January 2009</p>
<p><b>AASB 2007-9 Amendments to Australian Accounting Standards arising from the Review of AAS 27, AAS 29 and AAS 31</b></p> <p>Relocates certain relevant requirements from AASs 27, 29 and 31, substantively unamended, into existing topic-based standards. This Standard also makes consequential amendments, arising from the short-term review of AASs 27, 29 and 31, to AASB 8, AASB 101 and AASB 114.</p>	<p>(Beginning) 1 July 2008</p>
<p><b>AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101</b></p> <p>The Amending Standard changes the term 'general purpose financial report' to 'general purpose financial statements' and the term 'financial report' to 'financial statements', where relevant, in Australian Accounting Standards (including Interpretations) to better align with IFRS terminology.</p>	<p>(Beginning) 1 January 2009</p>
<p><b>AASB 2008-1 Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations</b></p> <p>Amends AASB 2 <i>Share-based Payment</i> to introduce equivalent amendments made to IFRS 2 <i>Share-based Payment</i> by the IASB to:</p> <ul style="list-style-type: none"> <li>• Clarify that vesting conditions are those conditions that determine whether the entity receives the services that result in the counterparty's entitlement</li> </ul>	<p>(Beginning) 1 January 2009</p>

New or revised requirement	Effective for annual reporting periods beginning/ending on or after
<p><i>New and revised IFRS-equivalent Standards</i></p> <ul style="list-style-type: none"> <li>restrict the definition of vesting conditions to include only service conditions and performance conditions</li> <li>amend the definition of performance conditions to require the completion of a service period in addition to specified performance targets</li> <li>specify that all cancellations, whether by the entity or by the other parties, should receive the same accounting treatment</li> </ul>	<p>(Beginning) 1 January 2009</p>
<p><b>AASB 2008-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation</b></p> <p>Amends AASB 132 <i>Financial Instruments: Presentation</i> and AASB 101 <i>Presentation of Financial Statements</i> to introduce equivalent requirements to the IASB's <i>Amendments to IAS 132 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation</i>. Permits certain puttable financial instruments, and instruments (or components of instruments) that impose on the entity an obligation to deliver to another party a pro-rata share of the net assets of the entity only on liquidation, to be classified as equity, subject to specified criteria being met.</p>	<p>(Beginning) 1 January 2009</p>
<p><b>AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvement Process – Puttable Financial Instruments and Obligations arising on Liquidation</b></p> <p>Makes amendments to 25 different standards and is equivalent to the IASB Standard Improvements to IFRSs issued in May 2008. The amendments largely clarify the required accounting treatment where previous practice had varied, although some new or changed requirements are introduced. Topics include below market interest-rate government loans, accounting for advertising and promotional expenditure, investment property under construction and the reclassification to inventories of property, plant and equipment previously held for rental when the assets cease to be rented and are held for sale.</p>	<p>(Beginning) 1 January 2009</p>

New or revised requirement	Effective for annual reporting periods beginning/ending on or after
<p><i>New and revised IFRS-equivalent Standards</i></p> <p><b>AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</b></p> <p>This Amending Standard:</p> <ul style="list-style-type: none"> <li>• amends AASB 127 Consolidated and Separate Financial Statements to remove the definition of the 'cost method' and to require the separate financial statements of a new parent formed as the result of a specific type of reorganisation to measure the cost of its investment in the previous parent at the carrying amount of its share of the equity items of the previous parent at the date of the reorganisation</li> <li>• removes from AASB 118 Revenue the requirement to deduct dividends declared out of pre-acquisition profits from the cost of an investment in a subsidiary, jointly controlled entity or associate. Therefore, all dividends from a subsidiary, jointly controlled entity or associate are recognised by the investor as income</li> <li>• implements consequential amendments to AASB 136 Impairment of Assets, introducing a new indicator of impairment for investments in subsidiaries, jointly controlled entities and associates where a dividend has been recognised</li> <li>• allows first-time adopters to use a deemed cost of either fair value or the carrying amount under previous GAAP to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements.</li> </ul>	<p>(Beginning) 1 January 2009</p>
<p><b>AASB 2008-10 Amendments to Australian Accounting Standards - Reclassification of Financial Assets</b></p> <p>Amends the reclassification requirements of AASB 139 Financial Instruments: Recognition and Measurement to permit an entity to:</p> <ul style="list-style-type: none"> <li>• reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances</li> <li>• transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future.</li> </ul> <p>Also introduces new disclosure requirements into AASB 7 Financial Instruments: Disclosures for items that have been reclassified.</p> <p><i>Note: An entity cannot reclassify a financial asset before 1 July 2008. Any reclassification of a financial asset made on or after 1 November 2008 can take effect only from the date when the reclassification is made.</i></p>	<p>(Beginning) 1 July 2008</p>

## Appendix B Quality assurance, communication with the Council and roles and responsibilities

### (I) AUDIT QUALITY ASSURANCE

The conduct of our audit in accordance with Australian Auditing Standards means that information acquired by us in the course of our audit is subject to strict confidentiality requirements. All personal information will be dealt with as prescribed by our Privacy Policy, which is compliant with the Privacy Amendment (Private Sector) Act 2000. Information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your express consent.

Our workpaper files may, however, be subject to review as part of the quality control review programme of The Institute of Chartered Accountants in Australia, which monitors compliance with professional standards by its members. We advise you that by signing our engagement letter you acknowledge that, if requested, our workpaper files relating to the review will be made available under this programme. Should this occur, we will advise you. The same strict confidentiality requirements apply under this programme as apply to us as your auditor.

We would be happy to discuss further the firm's approach to quality assurance.

### (II) COMMUNICATION WITH THE MEMBERS OF THE COUNCIL

We welcome communication with the Members and as part of the audit process we would be happy to discuss any questions in relation to the scope of the audit. In addition we also propose to meet with the Members following the conclusion of our procedures in order to communicate any matters arising.

We would also welcome the Members input in relation to any areas of known concern within the Council.

In addition, we would also be interested to hear if there are other matters that the Council would like us to address and to understand more fully the their expectations and requirements from the audit process.

**(III) ROLES AND RESPONSIBILITIES**

The Directors are responsible for the preparation of the financial statements which show a true and fair view of the Council's affairs and for making available to us all the information and explanations we consider necessary.

Legislation requires that the Council maintains such books and records as will be sufficient to show the nature of all transactions and disclose, at any time, the financial position of the Council.

The Council's management is responsible for: the identification, assessment, management and monitoring of risk; for developing, operating and monitoring the system of internal control; and for providing assurance to the Members that this has been done.

The Council is required to review the Council's internal financial controls. In addition, the Members is required to review and approve the statements included in the financial report in relation to internal control and the management of risk.

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**ITEM 8.2.4            TOWN OF CAMBRIDGE REQUEST FOR EXEMPTION**

**File No:**            **WST/101**

**Attachment(s):**   **1. Request package from Town of Cambridge**

**Author:**            **Kevin Poynton**

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**SUMMARY**

The purpose of this report is to describe options for the 'way ahead', including a recommendation, for the management of a request for exemption from disposal of waste from Town of Cambridge.

**BACKGROUND**

**Authority to Exempt**

The Mindarie Regional Council is authorised under the existing Constitution to grant exemption to participant Councils from delivery of waste, to Mindarie Regional Council, for processing.

**Previous Exemptions**

Council has previously resolved to grant exemptions as follows:

- City of Stirling (Exemption No. 1)  
*"That Council approve 'in principle' the exemption of City of Stirling from municipal waste disposal at Tamala Park, for an initial period of ten years, commencing with effect from commencement of any new contracts for waste management"*
  - Ordinary Council Meeting Minutes 9.2.9 (April 2003) refers
  - This decision was at a time when City of Stirling was re-contracting with Atlas for waste processing, and the rationale was based on the recognition that this processing represented a saving of landfill airspace at Tamala Park, as well as a 'better solution' i.e. production of compost by Atlas
  
- City of Stirling (Exemption No. 2)  
*"That Council:*
  - (i) note the request from the City of Stirling for exemption from disposal of particular waste at Mindarie Regional Council facilities*
  - (ii) authorise the exemption with details as follows:*
    - (a)    Tonnage:                    22,000 max*
    - (b)    Time Frame:                20 years max"*
  - Ordinary Council Minutes 9.1.8 (April 2007) refers
  - This decision allowed that processable material from Stirling, unable to be processed by Atlas, to be processed by other i.e. Anaeco

- 
- City of Vincent
    - “That Council approve the request from the Town of Vincent for exemption from disposal of all or part of its waste at Mindarie Regional Council facilities, should the Town of Vincent identify an alternative option for disposal of its waste”*
    - Ordinary Council Meeting Minutes 8.1.1 (October 2007) refers
    - This decision was to ensure that a 7/7 agreement to RRF Financial Guarantees occurred
    - Town of Vincent has commenced, in April 2009, discussions with Mindarie Regional Council re the ‘activation’ of this exemption

This far, in the history of the Mindarie Regional Council, the common theme for the approval of exemptions has been on the basis that the local governments seeking exemption were committed to the processing of waste in a way other than via landfill, and the recognition that Mindarie Regional Council, until commissioning of RRF Stage One, did not offer such a facility. The Town of Vincent exemption is a minor variation on this, given the RRF was ‘in planning’.

### **Town of Cambridge Request**

The Town of Cambridge request is at Attachment One to this Item. In short, Town of Cambridge has resolved as follows:

- (i) *the CEO be authorised to negotiate an agreement with the Western Metropolitan Regional Council to dispose of all or some of its municipal waste at the Brockway Waste Treatment facility;*
- (ii) *a request be submitted to the Mindarie Regional Council for an exemption for the Town from delivering some or all of its waste to Mindarie Regional Council waste facilities*

This request is for consideration in a climate where:

- The Mindarie Regional Council can offer a processing capability other than landfill for at least some of Town of Cambridge waste
- Participant Councils, with effect 1 July 2009, will be paying significantly higher fees than previously and, therefore, any additional financial impact, as a result of exemption to others, this potential to be seen as unacceptable
- The agreed fee structure i.e. processable/non-processable exacerbates any additional financial impact
- The ‘monthly payments’ obligations under the RRF financial guarantee, with the existence of a ‘defaulter obligation’ further increases the exposure to deliverers of processable waste

### **DETAIL**

#### **Investigation Methodology**

The methodology applied to this investigation of the Town of Cambridge request has been as follows:

- Consideration of the operational impact of an exemption which would result in all Town of Cambridge municipal waste being delivered for non - Mindarie Regional Council processing
- Consideration of the financial impact of any exemption with respect to:
  - Adjusted cost to others for waste disposal
  - Potential exposure to others as a result of application of conditions described in the RRF Financial Guarantee
- Consultative with Technical Working Group officers

**Operational Impact**

The Town of Cambridge tonnages relevant to this consideration are as follows:

- Processable: 10,000 tonnes
- Non-Processable: 3,000 tonnes

The figures, for FY 2009/2010, have been extracted from the Town of Cambridge submission.

These tonnages represent the following percentages of overall waste for processing.

- Processable: 7%
- Non-Processable: 1.3% (of total MRC non-processable tonnage including casuals)

The removal of this material from Mindarie Regional Council disposal operations will not compromise either the Tamala Park landfill or the RRF Neerabup from an operational performance aspect.

**Financial Impact**

The financial impact of an exemption on Mindarie Regional Council fees is estimated to be as follows:

- Estimated Processable waste gate rate (at 1 July 2009) changes as follows:

Scenario	Processable Rate	Different
<b>Current</b>	\$127	\$0
<b>Without Town of Vincent</b>	\$134	\$7
<b>Without both Town of Vincent &amp; Town of Cambridge</b>	\$140	\$13

Note: Based on 2007/08 tonnages; BioVision fee \$148.27 (Cardno 14/4/09); Landfill rate \$61.

- No financial impact to the Mindarie Regional Council as additional costs will be covered by participant member councils
- Insignificant impact on the longevity of Tamala Park (< 1 month)

The implications of an exemption with respect to the RRF Financial Guarantee are as follows:

- 
- Monthly Payments
    - Payments made by local governments who deliver processable waste to Mindarie Regional Council
    - Non – delivery by Town of Cambridge would result in increases to others, via the processable rate increase
    - A further liability that would shift to ‘deliverers of processable waste only’ is for coverage of any payments to cover ‘fee defaulters’
  - Termination Payments
    - Payments made by participant Councils in equity proportions upon termination of RRFA (contract)
    - Nil change to potential contributions given that these are in ‘equity ownership proportions’

### **Options available to Mindarie Regional Council**

The options available to Mindarie Regional Council are as follows:

- Option One : Not approve the exemption
  - Advantages
    - 1. maintenance of ‘status quo’ with respect to ‘tonnages for processing’
  - Disadvantages
    - 1. potential withdrawal by Town of Cambridge from Mindarie Regional Council in order to achieve Town of Cambridge objective, thereby removing tonnage permanently
- Option Two : Approve exemption (without conditions)
  - Advantages
    - 1. matter resolved in a way that is consistent with previous actions on exemptions i.e. APPROVE
  - Disadvantages
    - 1. increase in financial liability to other participants
- Option Three : Approve exemption (with conditions e.g. timeframe, nil disposal to Mindarie Regional Council during exemption period)
  - Comment: The application of a timeframe provides increased certainty for Mindarie Regional Council planning purposes. Any other conditions maybe considered to be enorous
- Option Four : Deferral, pending comment from other participants
  - Comment: Whilst this is a consultative option, given the potential increased financial liability to other participants, the option is inconsistent with previous ‘exemptions deliberations’. Moreover, a basket of ‘split views’ is likely to compound the difficulty of the eventual decision making process for Mindarie Regional Council
- Option Five : Mindarie Regional Council to negotiate directly with Western Metropolitan Regional Council.

- 
- Comment: All waste (Town of Vincent and Town of Cambridge) potentially managed by the Mindarie Regional Council acting as a broker on the half of the Member Councils. The “processable” gate rate can be calculated as a combination of the cost of processing waste, be it at the RRF or Anaeco
  - Option Six : Deferral, pending discussion on a preferred approach to any on-going exemptions

#### **Additional Comment**

A draft Item was forwarded to Technical Working Group members for comment. A summary of these comments is as follows:

- That any fee increase to other participants as a result of the approval to the exemption is not reasonable
- That inter – Regional Council arrangements, with the sharing of any benefits equally, is worthy of investigation
- That consideration be given to sourcing of non – local government waste in the pursuit of economies of scale
- That this issue of exemptions is deserved of further consultation, in order to establish a basis for all on-going exemptions

#### **Preferred Option**

The preferred and recommended option is as follows:

- (i) Note the Town of Cambridge request
- (ii) Investigation of Option Five – inter – regional council agreements for the processing of waste
- (iii) Investigation of Option Six – an improved model for the management of exemptions
- (iv) Further consideration of the Town of Cambridge request in August 2009, following completion of these investigations

#### **The Issue of Future Exemptions**

This matter of exemptions represents a risk to the Mindarie Regional Council business because it creates uncertainty in terms of waste feedstock for processing by Mindarie Regional Council. This is particularly relevant given plans for additional processing facilities i.e. ‘Son of Tamala’ landfill and RRF Stage Two and beyond.

The current mechanism i.e. approval to exemptions by Mindarie Regional Council may well be the ‘best available option’ for the creation of ‘feedstock certainty’.

Notwithstanding this, it is proposed to conduct further investigations into strategies to ensure maximum certainty of waste feedstock for Mindarie Regional Council. Some suggested strategies are as follows:

- A review, and potential revision, to the Mindarie Regional Council fee structure in order to demonstrate a level of comparable pricing to other providers, thereby removing the attractiveness to ‘go elsewhere’

- 
- Consideration of a revision to the draft Establishment Agreement so that exemptions can only be granted by all other participants rather than Mindarie Regional Council, thereby tightening the process for granting of exemptions

#### **CONSULTATION**

- Legal (John Woodhouse)
- TWG members

#### **STATUTORY ENVIRONMENT**

Mindarie Regional Council Constitution and associated amendments

#### **POLICY IMPLICATIONS**

Not applicable

#### **STRATEGIC IMPLICATIONS**

Not directly applicable

#### **COMMENT**

Town of Cambridge has requested an exemption from some or all waste disposal to Mindarie Regional Council.

The authority to grant such exemption rests with Mindarie Regional Council via the existing Constitution.

Previous exemptions have been granted. However, the climate in which such exemptions are now for consideration has changed considerably.

It is recommended that the exemption be deferred on the basis of a need for further investigation of the request, with due respect to current circumstances.

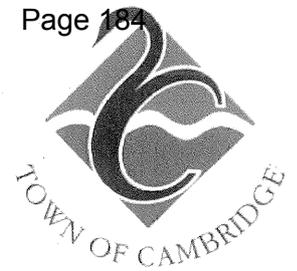
Council consideration is now appropriate.

#### **RECOMMENDATION**

**That Council:**

- (i) note the Town of Cambridge request**
- (ii) authorise the investigation of Option Five – inter – regional council agreements for the processing of waste**
- (iii) authorise the investigation of Option Six – an improved model for the management of exemptions**
- (iv) require further consideration of the Town of Cambridge request in August 2009, following completion of these investigations**

**ATTACHMENT ONE**  
**TO ITEM 8.2.4**  
**ORDINARY COUNCIL MEETING**  
**23 APRIL 2009**  
**REQUEST PACKAGE FROM TOWN OF CAMBRIDGE**



998749

30 March 2009

1 Bold Park Drive,  
Floreat, Western Australia 6014  
PO Box 15, Floreat 6014  
Telephone: (08) 9347 6010  
Facsimile: (08) 9347 6066  
Email: ceo@cambridge.wa.gov.au

Mr Kevin Poynton  
Chief Executive Officer  
Mindarie Regional Council  
PO Box 538  
JOONDALUP WA 6919

Dear Kevin

#### REQUEST FOR EXEMPTION FROM TIPPING

The Town of Cambridge has approached the Western Metropolitan Regional Council expressing an interest in discussing options for disposal of the Town of Cambridge waste at their Lemnos Street DiCOM facility which is currently being commissioned. The Western Metropolitan Regional Council have subsequently decided that they are willing to negotiate a draft agreement for disposal in their facility with the Town of Cambridge.

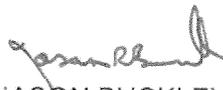
The Town of Cambridge is aware of its obligations under the existing constitutional agreement and proposed establishment agreement and has, at the Council meeting held on 24 March 2009, made the following decision:-

- (i) *the CEO be authorised to negotiate an agreement with the Western Metropolitan Regional Council to dispose of all or some of its municipal waste at the Brockway Waste Treatment facility;*
- (ii) *a request be submitted to the Mindarie Regional Council for an exemption for the Town from delivering some or all of its waste to Mindarie Regional Council waste facilities.*

In support of Council's request, the full Council report (Item IC09.12) and report attachment is attached.

It would be appreciated if this item could be included in the Mindarie Regional Council agenda for April 2009.

Yours sincerely,

  
JASON BUCKLEY  
CHIEF EXECUTIVE OFFICER

Encl: Report IC09.12 & Attachments

**BENEFITS OF DISPOSAL TO WMRC FACILITIES**

1. Disposal of the Cambridge 10,000 tonnes of Processable waste would be to Lemnos Street. Travel distance saved for 22-24 truck movements per week is 1,760 - 1,920 kilometres, not travelling to Tamala Park or the RRF1 in Neerabup. The one way travel distance saving is around 40 kilometres.
  - Financial benefits via Cleanaway transport cost reduction
  - Sustainability benefit (CO2, pollution etc).
2. The tipping exemption would allow up to 10,000 tonnes of Processable waste to be diverted from landfill which would reduce the MRC liabilities relating to National Greenhouse and Energy Reporting (NGER) and Carbon Pollution Reduction Scheme (CPRS).
3. The exemption will allow for an increase in tip life for Tamala Park.
4. Allows AnaeCo DiCOM process to be proven as a reliable waste disposal technology. On the basis AnaeCo DiCOM has a proven operating plant, the process can be considered by the MRC for RRF Stage 2 which is due to be operational in 2014.

This DiCOM process was tendered in RRF Stage 1 and was excluded as an option because it did not have an operating commercial plant. They only had a pilot plant operating in Canning Vale.

5. Definitions of waste by MRC for RRF Stage 1:-

Refer: MRC SCM 16 April 2005 (Item 8.2);  
 MRC OCM 9 August 2006 (Item 8.1 - Attachment 1) - Freehills Contract Documentation

Processable

Essentially waste material collected from residential properties. This excludes recyclable materials collected in our yellow lidded bins.

Non-Processable

Essentially all waste collected from non-residential or commercial properties. This also includes verge pick-up material.

6. Cambridge Waste Stream (forecast for 2009/10)

Processable:	10,000 tonnes
Non-Processable:	3,000 tonnes
Recyclables:	3,000 tonnes

7. MRC Disposal Charges

	2008/09 (Actual)	2009/10 (Forecast)
Processable	\$54 / tonne	\$127 / tonne
Non-Processable	\$54 / tonne	\$61 / tonne

**Note:** If the MRC had capacity to process all members Processable material (151,000 tonnes per year), the fee would be around \$160/tonne.

8. MRC Members Waste Stream (Forecast 2009/10 Tonnages)

	Processable	Non-Processable	Total
Cambridge	10,000	3,000	13,000
Vincent	13,500	500	14,000
Victoria Park	12,500	1,000	13,500
Perth	16,000	0	16,000
<b>Subtotal</b>	<b>52,000</b>	<b>4,500</b>	<b>56,500</b>
Wanneroo	43,000	29,000	72,000
Joondalup	56,000	16,000	72,000
Stirling	0	105,000	105,000
<b>Subtotal</b>	<b>99,000</b>	<b>150,000</b>	<b>249,000</b>
<b>TOTAL</b>	<b>151,000</b>	<b>154,500</b>	<b>305,500</b>

Casual tipping - allow 30,000 tonnes of Non-Processable material.

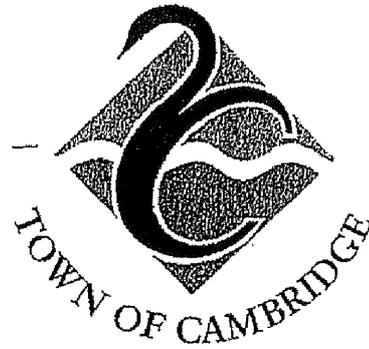
**Note:** Around 2014 the City of Stirling contract with ATLAS is to expire. If not renewed and a tipping exemption not be approved by the MRC, then around 60,000 tonnes of Processable material will be delivered to MRC disposal facilities.

In this scenario, the amount of Processable material available for any RRF2 plant would be 111,000 tonnes.

9. If Cambridge disposed to the WMRC Lemnos Street facility, gate fee savings are expected. MRC fees should rise from \$127/tonne in June 2009 to \$160/tonne when treatment capacity for Processable material is 100%.

**Previous Exemptions**

- 26 April 2007 - Item 9.1.8 - City of Stirling  
 Approved exemption for 20 years maximum for 22,000 tonnes maximum
- 11 October 2007 - Item 8.1.1 - Town of Vincent  
 Approval granted to dispose of all or part of its waste if Vincent can identify an alternate option for disposal.



**INFRASTRUCTURE AND COMMUNITY  
COMMITTEE MEETING**

**TUESDAY 10 MARCH 2009**

**ATTACHMENT TO ITEM IC09.12**

**POTENTIAL USE OF WESTERN METROPOLITAN  
REGIONAL COUNCIL WASTE TREATMENT FACILITY**

COUNCIL  
24 MARCH 2009

**IC09.12 POTENTIAL USE OF WESTERN METROPOLITAN REGIONAL COUNCIL  
WASTE TREATMENT FACILITY**

**PURPOSE OF REPORT:**

To consider the disposal of some or all of the Town's municipal waste at the new alternative waste treatment facility established by the Western Metropolitan Regional Council (WMRC). Also, to seek approval from the Mindarie Regional Council (MRC) for an exemption to delivering some or all of the Town's municipal waste to Mindarie Regional Council facilities.

**BACKGROUND:**

The Town is a member of the MRC under a constitution agreement with six other local governments being Cities of Joondalup, Perth, Stirling and Wanneroo and the Towns of Victoria Park and Vincent. The Town is a one-twelfth (1/12<sup>th</sup>) equity participant in the Regional Council.

The Town has been a participant in the MRC since its creation in 1994/1995 and has delivered all municipal waste (with the exception of recyclable materials) to a landfill site operated by the MRC at Tamala Park.

**DETAILS:**

**Mindarie Regional Council Facilities**

The landfill site is a limited resource as the State Government has decided that it will not provide a new license to excavate any additional landfill capacity on the site beyond Stage 2. Therefore, the life of the existing landfill at Tamala Park is limited by the air space remaining. As a consequence, this air space is a valuable resource and is becoming more expensive as demand for landfill increases. The Tamala Park landfill site is forecast to be full by 2020.

As a result, the MRC initiated a process several years ago to develop a Resource Recovery Facility (RRF) to be built on an alternate site owned by the MRC at Neerabup. The contract for the RRF was awarded to BioVision and is expected to be operational from 1 July 2009. The RRF will process 100,000 tonnes per annum with approximately 30,000 tonnes returned to landfill as residue from the RRF when it is fully operational (ie. a diversion rate of 70%).

Member Councils currently dispose of approximately 300,000 tonnes per annum at Tamala Park with the Town of Cambridge proportion being approximately 12,000 tonnes per annum (or 4%). In addition, a further 60,000 tonnes is delivered to Tamala Park by casual tippers resulting in a total annual disposal of 360,000 tonnes. This tonnage will grow as local government populations grow, particularly in the developing northern suburbs of Wanneroo. The City of Stirling also has 60,000 tonnes being disposed at ATLAS until 2014 under an existing MRC exemption.

To address the limited life of the landfill and move towards a more environmentally friendly waste disposal methodology, MRC are investigating the establishment of a second RRF by 2013 that may be different from the current process. MRC are also looking at a long term landfill site at a new location.

COUNCIL  
24 MARCH 2009

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### **Western Metropolitan Regional Council Facilities**

The WMRC is comprised of the City of Subiaco, Towns of Cottesloe, Claremont, Mosman Park and Shire of Peppermint Grove. The City of Nedlands is not a participant in WMRC. The WMRC established a Waste Transfer Station on the corner of Brockway Roads and Lemnos Street in the mid 1990's.

Since then, the WMRC has partnered with AnaeCo to develop an alternative waste technology facility using the DiCOM System located at the Brockway Transfer Station. A brochure outlining the DiCOM System is attached. It is proposed that the DiCOM System will process approximately 55,000 tonnes of waste per annum and is to comprise three vessels to meet this capacity.

The first of these vessels has been built and is currently in the commissioning stage to first confirm the process works and secure the necessary operating license approvals from the State Government.

The member councils of the WMRC do not generate sufficient waste to meet demand required for an economic processing plant at 55,000 tonnes per annum. Therefore, there is a need to secure waste from other sources to meet the plant capacity.

The City of Stirling has previously negotiated directly with the operator, AnaeCo, to provide up to 22,000 tonnes per annum. The Town of Vincent is negotiating with the WMRC to deliver waste up to 14,000 tonnes to the facility. Both Stirling and Vincent have obtained exemptions from the MRC for this purpose.

As the AnaeCo facility is located close to the Town's boundary and the costs of the MRC waste disposal are due to significantly increase, the Town has corresponded with the WMRC to express an interest in disposing some or all of its waste at the Waste Treatment Facility. The WMRC has formally considered the Town's request and at its meeting on 5 February 2009 decided to negotiate a draft agreement with the Town to dispose of its waste at the Brockway Transfer Station. A copy of the correspondence is attached.

As the Town is a member of the MRC, it has a requirement under the existing Constitutional Agreement and proposed new Establishment Agreement to dispose of its municipal waste (excluding recycling which has a general exemption) to facilities operated by the MRC. In order to dispose of waste at the WMRC facility, an exemption will be required. Details of the requirements under current and proposed agreements are provided below.

### **Current Constitutional Agreement**

The current Constitutional Agreement is the original 1987 agreement.

This agreement has had several Deeds of Variation in relation to:-

1. The original agreement covered three members - Cities of Wanneroo, Perth and Stirling;
2. A variation was made to include Joondalup when Wanneroo was split into two councils;
3. A variation was made to include Cambridge, Vincent and Victoria Park when the City of Perth was split into four councils.

In relation to member obligations to deliver waste, the Deed of Variation dated 20 August 1996, included the following clauses:-

COUNCIL  
24 MARCH 2009

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Operative Clauses:

1. It is hereby agreed that the following amendments be made to the Mindarie Regional Council Constitution:-
  - (a) In clause 1.1 by adding to the definition of "waste" the words "and does not include any waste retained by a constituent municipality for the purposes of recycling".
  - (b) By inserting a new paragraph 4A as follows:-
    - 4A.1 A constituent municipality, unless otherwise agreed by the parties hereto, shall be bound to dispose of waste in accordance with the requirements of the Regional Council and in particular, without limiting the generality of the foregoing, shall be bound to deliver waste to such site or sites as the Regional Council may nominate.
    - 4A.2 The Regional Council may exempt a constituent municipality from the provisions of Clause 4A.1 hereof for such time and subject to such conditions as the Regional Council deems fit and any exemption granted shall be communicated in writing.
    - 4A.3 Where a constituent municipality fails to dispose of waste in accordance with Clause 4A.1 above and in particular, fails to deliver waste to a site or sites nominated by the Regional Council, that constituent municipality shall, in addition to any other damages or costs thereby occasioned, be liable to pay to the Regional Council such fees or costs as a constituent municipality would have paid had it complied with the said clause and delivered the waste to the site or sites nominated.

**Proposed New Establishment Agreement**

For some time, the Mindarie Regional Council has been considering a New Establishment Agreement. The new agreement proposes the following clause relating to the obligation to deliver waste:-

**15. Obligation to Deliver Waste**

**15.1 Delivery of Waste to MRC**

Each of the Participants must deliver to the MRC, at the location or locations notice of which is given by the MRC to the Participants:

- (a) all waste from premises within the Region collected by and on behalf of the Participant; and
- (b) all waste produced by the Participant.

**15.2 MRC Council May Grant Exemption**

The Participants agree that the MRC Council may, by notice in writing, exempt a Participant from its obligations under Clause 15.1:

- (a) for any period;

COUNCIL  
24 MARCH 2009

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- (b) subject to any conditions; and
- (c) in respect of any type or quantity of waste,  
determined by the MRC Council from time to time.

### 15.3 Exemptions Under the Former Constitution Agreement

Notwithstanding the revocation of the Former Constitution Agreement under Clause 1, an exemption which is:

- (a) granted under the Former Constitution Agreement; and
- (b) in effect immediately before the Operative Drive,  
continues in effect, according to its terms, as if it were an exemption granted under Clause 15.2

The exemption proposed only provides that the Town is permitted to dispose of all or some of its waste at facilities operated by the WMRC. The exemption is not intended to facilitate a withdrawal from the MRC and the Town will continue to be a member of the MRC. This is considered important to provide the Town flexibility in where it can dispose of its municipal waste.

### POLICY/STATUTORY IMPLICATIONS:

There are no Policy or Statutory Implications related to this report. There are implications which are contractual in relation to the existing 1987 Constitutional Agreement.

### FINANCIAL IMPLICATIONS:

There are Financial Implications related to this report. These require to be further considered and would relate to variations in disposal rates and savings on transport of waste to Tamala Park or Neerabup. The transport savings can be assessed on the basis of a 41 kilometre (82 kilometre round trip) travel distance reduction for 22 to 24 truck movements per week.

### STRATEGIC DIRECTION:

Key outcome areas addressed include:-

#### Community

- quality services to meet identified community needs and expectations.

#### Governance

- accountable and transparent governance.
- sound management practices.

#### Communication

- community engagement in planning and service delivery.

#### Economic

- financial sustainability.
- innovative service delivery.

COUNCIL  
24 MARCH 2009

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**COMMUNITY CONSULTATION:**

This matter has been assessed under the Community Consultation Policy. In accordance with the assessment criteria it was rated at Level 1, for which no community consultation is required.

**ATTACHMENTS:**

1. Correspondence to and from WMRC.
2. AnaeCo brochure on the DiCom System.

**COUNCIL DECISION:**  
(COMMITTEE AND ADMINISTRATION RECOMMENDATION)

**Moved by Cr Watson, seconded by Cr Pelczar**

**That:-**

- (i) the Chief Executive Officer be authorised to negotiate an agreement with the Western Metropolitan Regional Council to dispose of all or some of its municipal waste at the Brockway Waste Treatment Facility;
- (ii) a request be submitted to the Mindarie Regional Council for an exemption for the Town from delivering some or all of its municipal waste to Mindarie Regional Council waste facilities.

**Carried 9/0**

27 January 2009

Mr P Pikor  
Chief Executive Officer  
Western Metropolitan Regional Council  
PO Box 47  
MOSMAN PARK WA 6912

Dear Peter

**EXPRESSION OF INTEREST - POTENTIAL USE OF WMRC WASTE  
TREATMENT FACILITY**

Thank you for your invitation to the official opening of the DICOM Alternative Waste Technology facility at the Brockway Waste Transfer Station held on 28 November 2008.

The opening of the facility was a significant milestone for the treatment of waste and the information provided at the event outlined the potential of the process.

The Town of Cambridge currently disposes of approximately 12,000 tonnes of waste per annum at Tamala Park and is a member of the Mindarie Regional Council (MRC). The MRC are developing a Resource Recovery facility in Neerabup which is expected to be operational from July 2009.

The Town is committed to the alternative treatment of waste and it is understood that there may be some capacity for the Town to dispose of waste at your new facility. It is noted that the Brockway Waste Transfer Station is located in close proximity to the Town.

I would greatly appreciate if WMRC could consider the Town's interest in disposing of waste at your facility and the terms under which this arrangement could operate.

If there is potential to enter into such an arrangement it will be necessary for the Town to seek approval from the Mindarie Regional Council to enable this to be effected.

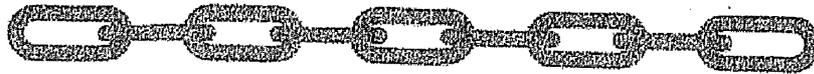
I look forward to your advice in relation to this matter.

Yours sincerely

JASON BUCKLEY  
CHIEF EXECUTIVE OFFICER

cc Mr R Morris – Chairman WMRC  
Mr S Withers – Mayor Town of Cambridge

## WESTERN METROPOLITAN REGIONAL COUNCIL



CONSTITUENT MUNICIPALITIES: CITY OF SUBIACO • TOWN OF CLAREMONT  
• TOWN OF COTTESLOE • TOWN OF MOSMAN PARK • SHIRE OF PEPPERMINT GROVE

Our Ref: PP/DDW

19 February 2009

Chief Executive Officer  
Town of Cambridge  
PO Box 15  
FLOREAT WA 6014  
Attention: Jason Buckley

Dear Mr. Buckley,

### EXPRESSION OF INTEREST - FUTURE DISPOSAL OF WASTE AT BROCKWAY TRANSFER STATION

I refer to your letter of 27 January 2009 requesting the Regional Council's consideration of the proposal for the Town to dispose of its waste at the Brockway Transfer Station.

I advise that at the meeting held on 5 February 2009 the Regional Council considered a report on this matter and resolved that:

- 9.11.1 The Chairman and Chief Executive Officer be authorised to negotiate a draft agreement with the Town of Cambridge to dispose of their Municipal Solid Waste at the Brockway Transfer Station for the Regional Council's final approval.

I will arrange for a meeting over the next few months to discuss this matter in further detail.

Yours faithfully

  
P. PIKOR  
CHIEF EXECUTIVE OFFICER

ALL CORRESPONDENCE: CHIEF EXECUTIVE OFFICER, P.O. BOX 47, MOSMAN PARK WA 6912

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**CONFIDENTIAL ITEM**

**ITEM 8.2.5          PERFORMANCE REVIEW – CHIEF EXECUTIVE OFFICER**

**File No:              PER/11**

**Attachment(s):    1. Performance Appraisal Report  
                         2. Remuneration Report  
                         3. Contract of Employment Report**

**Author:              John Phillips (Consultant)  
                         Executive Manager  
                         WALGA Workplace Solutions**

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THIS ITEM IS CONFIDENTIAL, NOT FOR PUBLIC VIEWING.

SEPARATE COVER TO ELECTED MEMBERS