



AGENDA

ORDINARY COUNCIL MEETING

TIME: 5.30PM

25 OCTOBER 2012

CITY OF PERTH

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



**MINDARIE REGIONAL COUNCIL
NOTICE OF MEETING**

12 October 2012

Councillors of the Mindarie Regional Local Government are advised that an Ordinary Meeting of the Council will be held in the Council Chambers of the City of Perth, Council House, 27 St George's Terrace, Perth, at 5.30pm on Thursday 25 October 2012.

The agenda pertaining to the meeting is attached.

Your attendance is respectfully requested.

**BRIAN CALLANDER
CHIEF EXECUTIVE OFFICER**

MINDARIE REGIONAL COUNCIL - MEMBERSHIP

Cr R Fishwick JP (Russ) - Chair	City of Joondalup
Cr J Bissett (John) – Deputy Chair	Town of Victoria Park
Cr S Withers (Simon)	Town of Cambridge
Cr K Hollywood (Kerry)	City of Joondalup
Cr R Butler (Rob)	City of Perth
Cr D Boothman (David)	City of Stirling
Cr S Cooke (Sharon)	City of Stirling
Cr J Robbins (Jason)	City of Stirling
Cr B Stewart (Bill)	City of Stirling
Cr A MacTiernan (Alannah)	City of Vincent
Cr L Gray JP (Laura)	City of Wanneroo
Cr D Newton JP (Dot)	City of Wanneroo

It is a requirement that a Council carries a specific resolution for each occasion that the alternate member is to act when an elected member is unable to attend. As such by resolution the following council has nominated an alternate member.

City of Joondalup has appointed alternate member Cr Troy Pickard during the period 29 September 2012 to 9 November 2012 in the absence of Cr Russ Fishwick.

CONTENTS

1	DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS.....	4
2	ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE	4
3	DECLARATION OF INTERESTS.....	4
4	PUBLIC QUESTION TIME	4
5	ANNOUNCEMENTS BY THE PRESIDING PERSON	4
6	APPLICATIONS FOR LEAVE OF ABSENCE	4
7	PETITIONS / DEPUTATIONS / PRESENTATIONS	4
8	CONFIRMATION OF MINUTES OF PREVIOUS MEETING	4
	8.1 Ordinary Council Meeting – 23 August 2012.....	4
	8.1 Special Council Meeting – 20 September 2012	5
9	CHIEF EXECUTIVE OFFICER REPORTS	6
	9.1 List of Payments made for the months ended 31 July 2012 and 31 August 2012.....	6
	9.2 Financial Statements for the periods ended 31 July 2012 and 31 August 2012.....	7
	9.3 Review of Council Members Fees, Allowances and Expenses.....	9
	9.4 RRFA Performance Measures – Compost Management	21
	9.5 City of Stirling Withdrawal – Submission to the Minister for Local Government....	27
10	MEMBERS INFORMATION BULLETIN – ISSUE NO. 7	28
11	MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN.....	28
12	URGENT BUSINESS.....	28
13	QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN.....	28
14	MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC.....	29
	14.1 Resource Recovery Facility – Request for relocation of adjoining tenant.....	29
15	NEXT MEETING.....	30
16	CLOSURE	30

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

2 ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

3 DECLARATION OF INTERESTS

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

Disclosure of Financial and Proximity Interests

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

Disclosure of Interest Affecting Impartiality

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

4 PUBLIC QUESTION TIME

5 ANNOUNCEMENTS BY THE PRESIDING PERSON

6 APPLICATIONS FOR LEAVE OF ABSENCE

7 PETITIONS / DEPUTATIONS / PRESENTATIONS

8 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

8.1 ORDINARY COUNCIL MEETING – 23 AUGUST 2012

The Minutes of the Ordinary Council Meeting held on 23 August 2012 have been printed and circulated to members of the Council.

RESPONSIBLE OFFICER RECOMMENDATION

That the Minutes of the Ordinary Council Meeting of Council held on 23 August 2012 be confirmed as a true record of the proceedings.

8.1 SPECIAL COUNCIL MEETING – 20 SEPTEMBER 2012

The Minutes of the Special Council Meeting held on 20 September 2012 have been printed and circulated to members of the Council.

RESPONSIBLE OFFICER RECOMMENDATION

That the Minutes of the Special Council Meeting of Council held on 20 September 2012 be confirmed as a true record of the proceedings.

9 CHIEF EXECUTIVE OFFICER REPORTS

9.1	LIST OF PAYMENTS MADE FOR THE MONTHS ENDED 31 JULY 2012 AND 31 AUGUST 2012
File No:	FIN/5-02
Appendix(s):	Appendix No. 1 Appendix No. 2
Date:	
Responsible Officer:	Gunther Hoppe

SUMMARY

The purpose of this report is to provide details of payments made during the periods identified. This is in line with the requirement under the delegated authority to the Chief Executive Officer (CEO), that a list of payments made from the Municipal Fund since the last Ordinary Council meeting be presented to Council.

COMMENT

The lists of payments for the months ended 31 July 2012 and 31 August 2012 are at **Appendix 1 and 2** to this Item and are presented to Council for noting. Payments have been made in accordance with the delegated authority to CEO which allows payments to be made between meetings. At the Ordinary Council Meeting held on 23 August 2012, the Council delegated to the CEO the exercise of its power to make payments from the Municipal Fund. 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 GST remittances are made each month to the Australian Tax Office.

Months Ended	Account	Vouchers	Amount
31 July 2012	General Municipal	Cheques	\$210,967.85
		EFT	\$3,367,227.26
		DP	\$430,473.67
		Total	\$4,008,668.78
31 August 2012	General Municipal	Cheques	\$145,362.18
		EFT	\$2,757,347.13
		DP	\$468,332.01
		Total	\$3,371,041.32

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That the list of payments made under delegated authority to the Chief Executive Officer, for the months ended 31 July 2012 and 31 August 2012 be noted.

9.2	FINANCIAL STATEMENTS FOR THE PERIODS ENDED 31 JULY 2012 AND 31 AUGUST 2012
File No:	FIN/5-02
Appendix(s):	Appendix No. 3 Appendix No. 4 Appendix No. 5
Date:	12 October 2012
Responsible Officer:	Gunther Hoppe

SUMMARY

The purpose of this report is to provide financial reporting in line with statutory requirements which provides useful information to stakeholders of the Council.

BACKGROUND

Reporting requirements are defined by Financial Management Regulations 34 of the Local Government (Financial Management) Regulations 1996.

The financial statements presented for each month consist of:

- Operating Statement by Nature – Combined
- Operating Statement by Nature – RRF Only
- Operating Statement by Function
- Statement of Financial Activity
- Statement of Reserves
- Statement of Financial Position
- Statement of Investing Activities
- Information on Borrowings
- Tonnage Report

DETAIL

The Financial Statements attached are for the months ended 31 July 2012 and 31 August 2012 and are attached at **Appendix 3 and 4** to this Item. The Tonnage Report for the 2 months to 31 August 2012 is attached at **Appendix 5**.

The complete suite of Financial Statements which includes the Operating Statements, Statement of Financial Position, Statement of Financial Activity and other related information are reported on a monthly basis.

These Statements include:

- Accruals
- Provisions for Amortisation of Cell Development, Capping and Post Closure expenditure

to provide meaningful reporting to Stakeholders.

The estimates for Provisions for Amortisation of Cell Development, Capping and Post Closure expenditure 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 actual tonnages on a survey carried out to assess the "air space" remaining and other relevant information.

Summary of results for the year to 31 August 2012

	Actual	Budget	Variance
	t	t	t
Tonnes – Members	38,123	41,658	(3,535)
Tonnes – Others	6,480	8,493	(2,013)
TOTAL TONNES	44,603	50,151	(5,548)
	\$	\$	\$
Revenue - Members	4,992,115	5,409,983	(417,868)
Revenue – Other	1,319,763	1,359,462	(39,699)
TOTAL REVENUE	6,311,878	6,769,445	(457,567)
Expenses	6,531,607	7,113,149	581,542
Loss on sale of assets	6,387	(9,238)	(15,625)
NET DEFICIT	(226,116)	(334,466)	108,350

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That the Financial Statements set out in Appendix 3 and 4 for the months ended 31 July 2012 and 31 August 2012 be received.

9.3	REVIEW OF COUNCIL MEMBERS' FEES, ALLOWANCES AND EXPENSES
File No:	GOV/4
Attachment(s):	1. Breakdown of the current fees, allowances and expenses of Regional Councils
Date:	8 October 2012
Responsible Officer:	CEO

SUMMARY

Review of Council Members' Fees, Allowances and Expenses.

BACKGROUND

Council Members' Fees, Allowances and Expenses were last reviewed in 2008 where the Council resolved to increase the fees to bring them in line with industry standards.

DETAIL

The current fees, allowances and expenses were last reviewed against the other Western Australia Regional Councils in 2008. It is considered timely to undertake a further review.

The attached table provides a breakdown of the current fees, allowances and expenses of Regional Councils including the Mindarie Regional Council (MRC) along with the proposed changes to the fees, allowances and expenses for the MRC members. The changes proposed for MRC are as follows:

Changes to the Mindarie Regional Council Fees, Allowances and Expenses						
Member Type	Fees		Allowances		Expenses (Technology)	
	Current	Proposed	Current	Proposed	Current	Proposed
Chairperson	\$13,000	\$14,000	\$6,000	\$8,000	\$1,000	\$1,000
Deputy Chairperson	\$6,000	\$7,000	\$1,500	\$2,000	\$1,000	\$1,000
Council Member	\$6000	\$7,000			\$1,000	\$1,000
Deputy Member	\$140 per meeting	\$140 per meeting				

This would see the total payment for the chairperson increase from \$20,000 per annum to \$23,000 per annum; the total payment for the deputy chairperson increase from \$8,500 per annum to \$10,000 per annum; and the total payment for a council member increase from \$7,000 per annum to \$8,000 per annum.

CONSULTATION

Consultation undertaken with other Regional Councils in the Perth area to determine the current fees, allowances and expenses they provide to their members to determine market trends.

STATUTORY ENVIRONMENT

Extract from the *Local Government Act 1995 - Fees and Allowances for Councillors*

"5.98. Fees etc. for council members

-
- (1) A council member who attends a council or committee meeting is entitled to be paid —
- (a) the prescribed minimum fee for attending a council or committee meeting; or
 - (b) where the local government has set a fee within the prescribed range for council or committee meeting attendance fees, that fee.
- (2A) A council member who attends a meeting of a prescribed type at the request of the council is entitled to be paid —
- (a) the prescribed minimum fee for attending a meeting of that type; or
 - (b) where the local government has set a fee within the prescribed range for meetings of that type, that fee.
- (2) A council member who incurs an expense of a kind prescribed as being an expense —
- (a) to be reimbursed by all local governments; or
 - (b) which may be approved by any local government for reimbursement by the local government and which has been approved by the local government for reimbursement,
- is entitled to be reimbursed for the expense in accordance with subsection (3).
- (3) A council member to whom subsection (2) applies is to be reimbursed for the expense —
- (a) where the minimum extent of reimbursement for the expense has been prescribed, to that extent; or
 - (b) where the local government has set the extent to which the expense can be reimbursed and that extent is within the prescribed range (if any) of reimbursement, to that extent.
- (4) If an expense is of a kind that may be approved by a local government for reimbursement, then the local government may approve reimbursement of the expense either generally or in a particular case but nothing in this subsection limits the application of subsection (3) where the local government has approved reimbursement of the expense in a particular case.
- (5) The mayor or president of a local government is entitled, in addition to any entitlement that he or she has under subsection (1) or (2), to be paid —
- (a) the prescribed minimum annual local government allowance for mayors or presidents; or
 - (b) where the local government has set an annual local government allowance within the prescribed range for annual local government allowances for mayors or presidents, that allowance.
- (6) A local government cannot —
- (a) make any payment to; or
 - (b) reimburse an expense of,
- a person who is a council member or a mayor or president in that person's capacity as council member, mayor or president unless the payment or reimbursement is in accordance with this Division.
-

- (7) A reference in this section to a **committee meeting** is a reference to a meeting of a committee comprising —
- (a) council members only; or
 - (b) council members and employees.

[Section 5.98 amended by No. 64 of 1998 s. 36; No. 17 of 2009 s. 33.]

5.98A. Allowance for deputy mayor or deputy president

- (1) A local government may decide* to pay the deputy mayor or deputy president of the local government an allowance of up to the prescribed percentage of the annual local government allowance to which the mayor or president is entitled under section 5.98(5).

* Absolute majority required.

- (2) An allowance under subsection (1) is to be paid in addition to any amount to which the deputy mayor or deputy president is entitled under section 5.98.

[Section 5.98A inserted by No. 64 of 1998 s. 37.]

5.99. Annual fee for council members in lieu of fees for attending meetings

A local government may decide* that instead of paying council members a fee referred to in section 5.98(1), it will instead pay all council members who attend council or committee meetings —

- (a) the prescribed minimum annual fee; or
- (b) where the local government has set a fee within the prescribed range for annual fees, that fee.

* Absolute majority required.

5.99A. Allowances for council members in lieu of reimbursement of expenses

A local government may decide* that instead of reimbursing council members under section 5.98(2) for all of a particular type of expense it will instead pay all council members —

- (a) the prescribed minimum annual allowance for that type of expense; or
- (b) where the local government has set an allowance within the prescribed range for annual allowances for that type of expense, an allowance of that amount,

and only reimburse the member for expenses of that type in excess of the amount of the allowance.

* Absolute majority required.

[Section 5.99A inserted by No. 64 of 1998 s. 38.]

5.100A. Gifts to council members

A local government cannot give a gift to a council member unless —

- (a) the gift is given in prescribed circumstances; and
- (b) the value of the gift is less than a prescribed amount.

[Section 5.100A inserted by No. 17 of 2009 s. 34.]

5.100. Payments for certain committee members

- (1) *A person who is a committee member but who is not a council member or an employee is not to be paid a fee for attending any committee meeting.*
- (2) *Where —*
 - (a) *a local government decides that any person who is a committee member but who is not a council member or an employee is to be reimbursed by the local government for an expense incurred by the person in relation to a matter affecting the local government; and*
 - (b) *a maximum amount for reimbursement of expenses has been prescribed for the purposes of section 5.98(3)(b),*

the local government must ensure that the amount reimbursed to that person does not exceed that maximum.

5.101. Payments for employee committee members

- (1) *A committee member who is an employee is not to be paid a fee for attending any committee meeting.*
- (2) *Nothing in this section prevents a local government from reimbursing an employee for an expense incurred by the employee in relation to a matter affecting the local government.*

5.101A. Regulations about payment of expenses

Regulations may be made about the method of payment of an expense for which a person can be reimbursed.

[Section 5.101A inserted by No. 17 of 2009 s. 35.]

5.102. Expense may be funded before actually incurred

Nothing in this Division prevents a local government from making a cash advance to a person in respect of an expense for which the person can be reimbursed.”

Extract from the Local Government (Administration) Regulations 1996

Part 8 - Local government payments and gifts to members

“30. Meeting attendance fees (Act s. 5.98(1) and (2A))

- (1) *For the purposes of section 5.98(1), subject to subregulation (3) —*
 - (a) *the minimum fee for a council member other than —*
 - (i) *the mayor or president; or*
 - (ii) *in the case of a regional local government, the chairman, attending a council meeting is \$60 for each meeting; and*
 - (b) *the maximum fee for a council member other than —*
 - (i) *the mayor or president; or*
 - (ii) *in the case of a regional local government, the chairman, attending a council meeting is \$140 for each meeting.*
 - (2) *For the purposes of section 5.98(1), subject to subregulation (3) or (5), as the case requires —*
-

- (a) *the minimum fee for a council member attending a meeting of a committee of which he or she is also a member is \$30 for each meeting; and*
 - (b) *the maximum fee for a council member attending a meeting of a committee of which he or she is also a member is \$70 for each meeting.*
 - (3A) *Each of the following meetings is a meeting of a prescribed type for the purposes of section 5.98(2A) —*
 - (a) *meeting of a WALGA Zone, where the council member is representing a local government as a delegate elected or appointed by the local government;*
 - (b) *meeting of a Regional Road Group established by Main Roads Western Australia, where the council member is representing a local government as a delegate elected or appointed by the local government;*
 - (c) *council meeting of a regional local government where the council member is the deputy of a member of the regional local government and is attending in the place of the member of the regional local government;*
 - (d) *meeting other than a council or committee meeting where the council member is attending at the request of a Minister of the Crown who is attending the meeting;*
 - (e) *meeting other than a council meeting or committee meeting where the council member is representing a local government as a delegate elected or appointed by the local government.*
 - (3B) *For the purposes of section 5.98(2A), subject to subregulation (3C), and subregulation (3) or (5) as the case requires —*
 - (a) *the minimum fee for a council member attending a meeting of a type referred to in subregulation (3A) is \$30 for each meeting; and*
 - (b) *the maximum fee for a council member attending a meeting of a type referred to in subregulation (3A) is \$70 for each meeting.*
 - (3C) *A council member is not entitled to be paid a fee for attending a meeting of a type referred to in subregulation (3A) if —*
 - (a) *the person who organises the meeting pays the council member a fee for attending the meeting; or*
 - (b) *the council member is paid an annual fee in accordance with section 5.99; or*
 - (c) *if the meeting is a meeting referred to in subregulation (3A)(c), the member of the regional local government is paid an annual fee in accordance with section 5.99.*
 - (3) *The total of fees paid to a council member other than —*
 - (a) *the mayor or president; or*
 - (b) *in the case of a regional local government, the chairman,*

for attending meetings (whether of the council, of any committee or a meeting of a type referred to in subregulation (3A)) in each year is not to exceed \$7 000.
 - (4) *For the purposes of section 5.98(1), subject to subregulation (5) —*
 - (a) *the minimum fee —*
 - (i) *for the mayor or president; or*
-

- (ii) *in the case of a regional local government, for the chairman, attending a council meeting is \$120 for each meeting; and*
- (b) *the maximum fee —*
 - (i) *for the mayor or president; or*
 - (ii) *in the case of a regional local government, for the chairman, attending a council meeting is \$280 for each meeting.*
- (5) *The total of fees paid —*
 - (a) *to the mayor or president; or*
 - (b) *in the case of a regional local government, to the chairman,*

for attending meetings (whether of the council, of any committee or a meeting of a type referred to in subregulation (3A)) in each year is not to exceed \$14 000.

[Regulation 30 amended in Gazette 23 Apr 1999 p. 1719; 31 Mar 2005 p. 1034; 3 May 2011 p. 1595-6.]

31. Expenses to be reimbursed (Act s. 5.98(2)(a) and (3))

- (1) *For the purposes of section 5.98(2)(a), the kinds of expenses that are to be reimbursed by all local governments are —*
 - (a) *rental charges incurred by a council member in relation to one telephone and one facsimile machine; and*
 - (b) *child care and travel costs incurred by a council member because of the member's attendance at a council meeting or a meeting of a committee of which he or she is also a member.*
- (2) *The extent to which an expense referred to in subregulation (1)(a) can be reimbursed is the actual amount.*
- (3) *The extent to which child care costs referred to in subregulation (1)(b) can be reimbursed is the actual cost per hour or \$20.00 per hour, whichever is the lesser amount.*
- (4) *The extent to which travel costs referred to in subregulation (1)(b) can be reimbursed —*
 - (a) *if the person lives or works in the local government district or an adjoining local government district, is the actual cost for the person to travel from the person's place of residence or work to the meeting and back; or*
 - (b) *if the person does not live or work in the local government district or an adjoining local government district, is the actual cost, in relation to a journey from the person's place of residence or work and back —*
 - (i) *for the person to travel from the person's place of residence or work to the meeting and back; or*
 - (ii) *if the distance travelled referred to in subparagraph (i) is more than 100 km, for the person to travel from the outer boundary of an adjoining local government district to the meeting and back to that boundary.*
- (5) *For the purposes of subregulations (2) to (4), actual amounts and actual costs are to be verified by sufficient information.*

[Regulation 31 amended in Gazette 31 Mar 2005 p. 1034.]

32. Expenses that may be approved for reimbursement (Act s. 5.98(2)(b) and (3))

- (1) For the purposes of section 5.98(2)(b), the kinds of expenses that may be approved by any local government for reimbursement by the local government are —
- (a) an expense incurred by a council member in performing a function under the express authority of the local government; and
 - (b) an expense incurred by a council member to whom paragraph (a) applies by reason of the council member being accompanied by not more than one other person while performing the function if, having regard to the nature of the function, the local government considers that it is appropriate for the council member to be accompanied by that other person; and
 - (c) an expense incurred by a council member in performing a function in his or her capacity as a council member.
- (2) The extent to which an expense referred to in subregulation (1) can be reimbursed is the actual amount, verified by sufficient information.

33. Annual local government allowance for mayors or presidents (Act s. 5.98(5))

- (1) For the purposes of section 5.98(5) —
- (a) the minimum annual local government allowance for a mayor or president is \$600; and
 - (b) the maximum annual local government allowance for a mayor or president is —
 - (i) \$12 000; or
 - (ii) 0.002 of the local government's operating revenue, whichever is the greater amount, but in any case no more than \$60 000.
- (2) In this regulation —
- operating revenue** has the meaning that it has in the Local Government (Financial Management) Regulations 1996.

[Regulation 33 amended in Gazette 23 Apr 1999 p. 1719; 31 Mar 2005 p. 1034.]

33A. Annual local government allowance for deputies (Act s. 5.98A)

For the purposes of section 5.98A(1) the prescribed percentage is 25%.

[Regulation 33A inserted in Gazette 23 Apr 1999 p. 1719.]

34. Annual attendance fees (Act s. 5.99)

- (1) For the purposes of section 5.99 —
- (a) the minimum annual fee for a council member other than —
 - (i) the mayor or president; or
 - (ii) in the case of a regional local government, the chairman, attending meetings (whether of the council or of any committee) is \$2 400; and
 - (b) the maximum annual fee for a council member other than —

- (i) *the mayor or president; or*
 - (ii) *in the case of a regional local government, the chairman, attending meetings (whether of the council or of any committee) is \$7 000.*
- (2) *For the purposes of section 5.99 —*
 - (a) *the minimum annual fee —*
 - (i) *for the mayor or president; or*
 - (ii) *in the case of a regional local government, for the chairman, attending meetings (whether of the council or of any committee) is \$6 000; and*
 - (b) *the maximum annual fee —*
 - (i) *for the mayor or president; or*
 - (ii) *in the case of a regional local government, for the chairman, attending meetings (whether of the council or of any committee) is \$14 000.*

[Regulation 34 amended in Gazette 23 Apr 1999 p. 1719-20; 31 Mar 2005 p. 1035.]

34A. Allowances in lieu of reimbursement of telephone etc. expenses (Act s. 5.99A)

For the purposes of section 5.99A(b), the maximum total annual allowance for telephone and facsimile machine rental charges referred to in regulation 31(1)(a) and any other telecommunications expenses that might otherwise have been approved for reimbursement under regulation 32 is \$2 400.

[Regulation 34A inserted in Gazette 23 Apr 1999 p. 1720; amended in Gazette 31 Mar 2005 p. 1035.]

34AA. Allowances in lieu of reimbursement of information technology expenses (Act s. 5.99A)

For the purposes of section 5.99A(b), the maximum total annual allowance for information technology expenses that have been approved for reimbursement under regulation 32 is \$1 000.

[Regulation 34AA inserted in Gazette 31 Mar 2005 p. 1035.]

34AB. Allowances in lieu of reimbursement of travelling and accommodation expenses (Act s. 5.99A)

- (1) *For the purposes of section 5.99A(b), the maximum annual allowance for travelling and accommodation expenses —*
 - (a) *prescribed as being a kind of expense to be reimbursed by all local governments under regulation 31; or*
 - (b) *that have been approved for reimbursement under regulation 32, is the same amount as the amount to which a person would be entitled for those expenses in the same circumstances under the Public Service Award.*
- (2) *In this regulation —*

Public Service Award means the Public Service Award 1992 issued by the Western Australian Industrial Relations Commission as amended from time to time.

[Regulation 34AB inserted in Gazette 31 Mar 2005 p. 1035.]

34AC. Gifts to council members, when permitted etc. (Act s. 5.100A)

- (1) The retirement of a council member who has served at least one full 4 year term of office is prescribed under section 5.100A(a) as circumstances in which a gift can be given to the council member.
- (2) The amount of \$100 for each year served as a council member to a maximum of \$1 000 is prescribed under section 5.100A(b) in respect of a gift given to a council member in the circumstances set out in subregulation (1).

[Regulation 34AC inserted in Gazette 3 May 2011 p. 1596.]

34AD. Method of payment of expenses for which person can be reimbursed (Act s. 5.101A)

- (1) The provision of a vehicle owned by a local government —
 - (a) to a council member who is a mayor or president of the local government; or
 - (b) to a council member who is not a mayor or president of the local government if —
 - (i) no reasonable alternative method of travel is available to the council member; and
 - (ii) the CEO, mayor or president of the local government has given prior written approval for the provision of the vehicle,

is prescribed under section 5.101A as a method of payment of expenses for which a council member can be reimbursed.
- (2) Before a vehicle owned by a local government is provided to a council member the local government and the council member must sign an agreement setting out the responsibilities of the council member in relation to the use of the vehicle.”

POLICY IMPLICATIONS

Proposed increase in council members' fees, allowances and expenses is in line with Council Policy (No. 2A)

FINANCIAL IMPLICATIONS

The increase in council members' fees, allowances and expenses was not anticipated at the time the 2012/13 Budget was prepared and as such there has been no allocation for this increase. In addition to this, the amount set aside for council members was reduced based on the anticipated withdrawal of the City of Stirling. The additional funds required to accommodate the proposed increases and the shortfall due to the City of Stirling withdrawal not being finalised, is \$42,500. It is proposed to address the shortfall in the half yearly budget review.

STRATEGIC IMPLICATIONS

Nil

COMMENT

It has been some time since the council members' fees, allowances and expenses have been reviewed and the proposed increases are in line with the marketplace. As such, it is recommended that the increases as provided for in the Detail section of this report be approved and commence retrospective from 1 July 2012.

VOTING REQUIREMENT

Simple Majority / Absolute Majority

RESPONSIBLE OFFICER RECOMMENDATION

That Council:

- Approves the following increase to the Fees, Allowances and Expenses for council members as follows:**

Changes to the Mindarie Regional Council Fees, Allowances and Expenses						
Member Type	Fees		Allowances		Expenses (Technology)	
	Current	Proposed	Current	Proposed	Current	Proposed
Chairperson	\$13,000	\$14,000	\$6,000	\$8,000	\$1,000	\$1,000
Deputy Chairperson	\$6,000	\$7,000	\$1,500	\$2,000	\$1,000	\$1,000
Council Members	\$6000	\$7,000			\$1,000	\$1,000

Changes to the Mindarie Regional Council Fees, Allowances and Expenses						
Member Type	Fees					
	Current	Proposed				
Deputy Member	\$140 per meeting	\$140 per meeting				
TOTAL VALUE OF INCREASE					\$10,500	

- Acknowledges the shortfall of \$32,000 (based on the revised rates proposed in (1) Above) in the 2012/13 Budget in the council member area due to the Budget being developed in anticipation of the withdrawal of the City of Stirling being settled prior to the end of the 2011/12 financial year.**
- The increase in Fees and Allowances detailed in (1) above and the shortfall detailed in (2) above amounting to \$42,500 be funded in the Half Yearly review.**

(Absolute Majority Required)

- The increases detailed in (1) above be effective from the 1 July 2012.**

ATTACHMENT 1
TO ITEM 9.3
ORDINARY COUNCIL MEETING
25 OCTOBER 2012
BREAKDOWN OF THE CURRENT FEES, ALLOWANCES AND EXPENSES

9.4	RRFA PERFORMANCE MEASURES – COMPOST MANAGEMENT
File No:	WST/173
Appendix(s):	Nil
Date:	11 October 2012
Responsible Officer:	Ian Watkins

SUMMARY

This Item provides a response to a question raised by Cr Newton asking for clarification on the reported non-compliance of compost produced at RRF as detailed in Item 14 - Resource Recovery Update Report in the agenda of the Ordinary Council Meeting held on 5 July 2012 and to bring to the attention of Council the current status with regards to compost quality.

Excerpt from 5 July 2012 Ordinary Council Meeting, Quality of Compost non-compliances highlighted in **Bold** text:

Performance Indicators

KPI's as per the RRFA are as follows:

Table No. 1 – KPI Summary (to 31 May 2012)

KPI	Target	Previous 6 Months	Mar	April	May
Availability	95%*	103%	101%	109%	104%
Environmental Standard - Number of	0	0	0	0	0
Waste Diversion	51.3%	49.9%	47.8%	48.6%	51.2%
Quality of Compost - Number of Breaches**	0	24	4	4	4
Quantity of Recyclable Packaging	0.8%	0.17%	0.73%	0.49%	0.49%
Health and Safety - Number of LTI's	0	0	0	0	1
Community Acceptance - Number of	0	0	0	0	0
Project Culture - PAG Chairperson Score	100	100	100	100	100

* The Target Availability during the Initial Operating Period is to achieve an Availability of greater than 95% over a six-month period.

** The compost standard within the RRFA is currently under review.

*** Numerous complaints relating to a single event are treated as a single complaint. Biofilter odour is not registered as a complaint as this is seen as a normal operating odour condition.

BACKGROUND

In developing a response to Cr Newton's question it became apparent that the quality of the compost at the RRF has been the subject of negotiation between the parties since the facility was commissioned. This was primarily due to the facility's inability to meet some of the compost targets set in the RRFA, including compost.

The recent RRFA Deed of Amendment approved by Council at the Council meeting on 5 July 2012 included a revised suite of compost targets were established. The MRC and BioVision agreed to commence interpreting the contract as per the Deed of Amendment from the start of the new Contract Year (16 July 2012). This decision meant that BioVision/SITA were liable for a fee abatement based on non-conformance with the amended compost targets. This has subsequently raised concerns for BioVision/SITA

about having the fee abated for non-conformances relating to compost targets for which BioVision/SITA have no control and are unable to influence by the RRF process.

DETAIL

The original KPI target for compost quality in the RRFA was based on some parameters from the Canadian compost standard (Sorrel Tracy facility), some from AS 4454-2003 and some from the DEC WA Biosolids Guidelines - February 2002. The recent Deed of Amendment to the RRFA changed the compost quality target to be in line with the latest AS 4454-2012 and the DEC WA Biosolid Guidelines - February 2002, with the exception of the glass (including metal and rigid plastic) content which was determined based on the BioVision tended commitments.

The compost quality covers a range of parameters for physical and chemical requirements, some of which are influenced by the quality of the incoming feedstock and others that are influenced by the composting and refining process within the RRF. The aerobic composting process is only able to influence compost moisture, aeration and physical content. It is not able to influence the chemical composition of the product.

The RRF process is designed for a 28-day (4 week) maturation period and according to the Australian Standard (AS 4454), this maturation period results in the production of a "Pasteurised Product" and not a "Composted Product". To produce a compost, the maturation duration would need to be extended by 50% to 100% (6 to 8 weeks). Consequently, the product should technically be referred to as a pasteurised product and not a compost.

The compost is tested weekly and the results are compared against the KPI target for compost quality. Historically, all of the weekly tests (based on an assessment of 96 weeks to June 2012) have failed to fully comply with the original compost target. The parameters that have failed included:

Parameter	% of Tests That Fail		Comment Reference No.
	Old Target	New Target	
Moisture Content	1%	0%	1)
pH	24%	24%	2)
Magnesium	59%	0%	3)
Boron	89%	0%	4)
Lead	16%	0%	5)
Mercury	46%	0%	6)
Zinc	3%	0%	7)
Glass	82%	0%	8)
E.Coli	4%	4%	9)
Wettability	0%	4%	10)

Note: A total of 96 weeks of compost tests were used for the comparison.

Comments:

- 1) Moisture Content: Function of process. Single failure in week two of operation – Process Failure.
- 2) pH: Impacted by feedstock quality and maturation duration - Not Process Failure.
- 3) Magnesium: Function of feedstock quality - Not Process Failure. The new KPI has removed this as a parameter.
- 4) Boron: Function of feedstock quality. Failures have been due to too little Boron in the product. - Not Process Failure. The new KPI has removed the lower limit for Boron.

- 5) Lead: Function of the feedstock quality; however, the vast majority of failures occurred within the first few months of the facility operation and it was thought that paint wearing off newly painted equipment may have accounted for some of the lead content - Not Process Failure. The new KPI has increased the upper limit for lead from 250 mg/kg to 420 mg/kg.
- 6) Mercury: Function of feedstock quality. Failures have been due to too little mercury in the product - Not Process Failure. The new KPI has removed the lower limit (as well as increased the upper limit from 0.8 mg/kg to 15 mg/kg).
- 7) Zink: Function of feedstock quality - Not Process Failure. The new KPI has removed the lower limit and increase the upper limit from the 700 mg/kg to 2,500 mg/kg.
- 8) Glass: Function of both a feedstock quality and process. The new KPI increases the limit for glass from 0.5% to 1.4%. This is consistent with the removal efficiency tended by BioVision, based on the input quantity of glass - Not Process Failure.
- 9) E.Coli: Function of pasteurisation - Process Failure.
- 10) Wettability: A function of RRF process - Process Failure. Four consecutive test failures.

In summary, all of the 96 weeks of tests analysed, based on the original KPI there have been 1% of the tests fail due to process failure for Moisture Content (1 test), 82% (80 tests) Glass failure and 4% (4 tests) E.Coli failure. Comparing to the new KPI, there have been 4% (4 tests) E.Coli and 4% (4 test) wettability failure.

Since the adoption of the amended compost targets by the MRC from 16 July 2012, there has been a single sampling failure relating to pH and nitrogen in July and no failures up to the third week in August (available test results).

Consequence of Non-Compliance

The RRFA sets out a mechanism for fee abatement in the event of non-compliance with the Compost Target KPI. Effectively, for one test failure the fee is abated by approximately \$15,000 and \$15,000 for each subsequent failure in the month up to a maximum of 4 tests. This equates to a maximum monthly fee abatement of approximately \$60,000. If there are no test failures in the preceding month and there is only one failure in month being considered, then there is no fee abatement.

BioVision Position

On 13 August 2012, BioVision wrote to the MRC clarifying its position regarding the compost quality KPI and stated "*the MRC is aware that BioVision has no control on inputs and can only influence process control including time, aeration and moisture. We seek an inclusion [in the RRFA Deed of Amendment] with respect to this KPI, that test failures relating to uncontrolled waste inputs not result in adjustments to the performance score as contemplated in Annexure E and the proposed Deed of Amendment. BioVision accepts adjustments for test failures that it can influence during process. We contemplate these to be moisture content, particle size, wettability and the physical contaminants*".

On 4 September 2012, MRC responded to the BioVision letter requesting additional information and explanations prior to the MRC being able to consider modifying the Deed of Amendment.

On 10 September 2012, BioVision provided some additional information as requested, but this was insufficient for the MRC to fully consider the issue. This was mainly due to limited time available in order to try and get an Item to this Special Council Meeting (20 September 2012).

Status of the Deed of Amendment

The MRC has approved the Deed of Amendment (05/07/2012 Council Meeting). BioVision and the ANZ Bank are yet to sign off on the Deed. Once the Deed has been signed by BioVision and the ANZ Bank, the MRC will sign it.

Way Forward

The MRC Administration proposes to request BioVision to provide additional information substantiating its request for modifying the Deed of Amendment. In the interim, the fee will not be abated due to non-compliance with the Compost Quality KPI until this matter has been resolved.

CONSULTATION

Consultation was held with the following parties:

- BioVision/SITA
- Freehills

STATUTORY ENVIRONMENT

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The suspension of the fee abatement mechanism until this matter is finalised would restrict the MRC from reducing the Gate Fee in the event of Compost Quality KPI non-conformances. The maximum fee abatement being approximately \$60,000 for all four test failures in a single month.

STRATEGIC IMPLICATIONS

Nil

COMMENT

The mechanism of suspending the consequences of issues that are being discussed between the parties is consistent with past practice and prevents “unwinding” the consequences once a final position has been agreed.

ADDITIONAL COMMENTS

Contractual Implications

The RRFA sets out the Compost Target to be achieved with the KPI and also the fee abatement mechanism applicable to any associated non-compliance.

The fee abatement mechanism was originally set up to compensate the MRC for any additional expenses that were incurred as a result of the KPI non-compliance. The fee abatement mechanism is not a windfall for the MRC, but a cost recovering mechanism. The abatement value was estimated as the likely cost recovery required in the event of the KPI non-compliance.

Based on the RRFA, the MRC is within its rights to abate the BioVision fee if there is a non-compliance with any of the KPI targets.

If there was a non-compliance with the compost KPI and the MRC was to insist on the fee abatement being implemented (as is the MRC’s contractual entitlement), it is possible that BioVision, through the dispute mechanism could request that the MRC demonstrate that it has incurred losses equivalent to the abated fee. This would be extremely difficult for the

MRC to substantiate and hence, BioVision is likely to have an entitlement to request a further change to the RRFA.

In addition, the RRFA has an ability for either Party to request an Agreed Variation to amend any part of the RRFA. This mechanism could also be used by BioVision if it felt that the KPI target mechanism and/or fee abatement mechanism was inappropriate. The request for an Agreed Variation would need to be fully substantiated by BioVision and given due consideration by the MRC.

Technical Argument

The MRC Administration acknowledges that the technical argument put forward by BioVision for the MRC not to abate the gate fee appears to be reasonable. Consequently, the Administration has requested that BioVision provide additional supporting information to substantiate its claim. This additional information is likely to be received in November 2012.

The MRC Administration is of the opinion that it is preferable to provide BioVision with sufficient “breathing space” to substantiate its technical argument and not abate the fee as opposed to abating the fee and then having to unwind the consequences if this matter is resolved in accordance with BioVision’s request. This is a consistent methodology that has been used throughout the past three years to resolve the numerous contractual differences between the parties.

Financial Implications

Based on the fee abatement mechanism, if there was a single compost test failure in one month and no failures in the preceding month then there would be no fee abatement. If there was one failure in both the previous months and the current month then the fee for the current month would be abated by between \$13,000 and \$15,000 (25% of SITA’s monthly profit). The exact value is a function of the number of tonnes that were delivered to the RRF during the month. For each subsequent failure, in the current month, the fee would be further abated by \$13,000 to \$15,000 up to a maximum of four test results or equivalent to approximately \$60,000 per month (100% of SITA’s monthly profit).

As can be seen from the above, there are significant consequences to SITA if there are any fee abatements during the month. Hence SITA’s concern about being abated for Compost Targets to which they have no influence and the likelihood that they would consider the RRFA dispute mechanism or Agreed Variation to resolve this matter.

It is pointed out that the fee abatement mechanism is a “pass through” from BioVision to SITA; hence, the above reference to the consequences to SITA as the facility operator (Asset Manager) and not BioVision.

Since the implementation of the revised conditions within the Deed of Amendment, there have only been two compost sample failures (mid-July and early September) and both of these have been more than a month apart; hence, there has been no entitlement for the MRC to abate the BioVision gate fee. However, based on past records, it is only a matter of time before there are two consecutive months of failures and the MRC will be obliged to abate the fee and hence the above scenarios become reality.

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That Council agree to suspend the fee abatement mechanism relating to the Compost Quality KPI until the Ordinary Council Meeting of 6 December 2012 to allow the parties time to address the compost quality issues and the MRC administration to report back to Council.

9.5	CITY OF STIRLING WITHDRAWAL – SUBMISSION TO THE MINISTER FOR LOCAL GOVERNMENT
File No:	LEG/14
Appendix(s):	
Date:	
Responsible Officer:	CEO

LATE ITEM

SEPARATE COVER TO MEMBERS

10 MEMBERS INFORMATION BULLETIN – ISSUE NO. 7

RESPONSIBLE OFFICER RECOMMENDATION

That the Members Information Bulletin Issue No. 7 be received.

11 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

12 URGENT BUSINESS

13 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

14 MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

CONFIDENTIAL ITEM	
14.1	RESOURCE RECOVERY FACILITY – REQUEST FOR RELOCATION OF ADJOINING TENANT
File No:	WST/118
Attachment(s):	One
Date:	7 September 2012
Responsible Officer:	CEO

THIS ITEM IS CONFIDENTIAL, NOT FOR PUBLIC VIEWING.

SEPARATE COVER TO ELECTED MEMBERS

15 NEXT MEETING

Next meeting to be held on Thursday 6 December 2012 in the Council Chambers at Town of Victoria Park commencing at 5.30pm.

16 CLOSURE
