



MINUTES

ORDINARY COUNCIL MEETING

TIME: 6.30 PM

23 APRIL 2020

ELECTRONIC MEETING

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



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1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

Prior to the commencement of this meeting the Chair requested all mobile phones be turned off and reminded Councillors and Officers that audio/video recording of the Council meeting proceedings is prohibited unless prior approval has been granted.

The Chair welcomed Council Members, staff and officers to the meeting which was conducted by electronic means in accordance with the Local Government (Administration) Regulations 1996.

2 ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

The Chair asked Council Members to confirm that they were connected and in attendance, the following attendees confirmed:

Councillor Attendance – attendance by electronic means - Zoom

Cr D Boothman, JP (Chair)	City of Stirling
Cr A Jacob, JP	City of Joondalup
Cr R Fishwick, JP	City of Joondalup
Cr L Kosova	City of Perth
Cr J Ferrante	City of Stirling
Cr S Proud, JP	City of Stirling
Cr K Sargent	City of Stirling
Cr E Cole	City of Vincent
Cr F Cvitan, JP	City of Wanneroo
Cr D Newton, JP	City of Wanneroo
Cr K Shannon	Town of Cambridge
Cr K Vernon	Town of Victoria Park

Apologies

Nil

Leave of Absence

Nil

Absent

Nil

The following officers were present at the meeting by electronic means - Zoom

MRC Officers

Mr G Hoppe (Chief Executive Officer)
Ms A Slater (Director Corporate Services)
Ms D Toward (Executive Support)

The CEO, through the Chair, noted the Mindarie Regional Council Observers and Member Council Observers that were connected.

Member Council Observers by electronic means – Zoom

Mr G Hunt (City of Joondalup)
Mr N Claassen (City of Joondalup)
Mr C Kopec (City of Perth)
Mr M Littleton (City of Stirling)
Mr R Bryant (City of Stirling)
Mr H Singh (City of Wanneroo)
Mr S Cairns (City of Wanneroo)
Mr K Hincks (Town of Cambridge)
Mr J Wong (Town of Victoria Park)

MRC Observers by electronic means - Zoom

Mr A Griffiths
Mr B Twine

3	DECLARATION OF INTERESTS
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Nil

4	PUBLIC QUESTION TIME
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Nil

5	ANNOUNCEMENTS BY THE PRESIDING PERSON
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Nil

6	APPLICATIONS FOR LEAVE OF ABSENCE
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Nil

7	PETITIONS / DEPUTATIONS / PRESENTATIONS
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Nil

8 CONFIRMATION OF MINUTES OF PREVIOUS MEETING
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8.1 ORDINARY COUNCIL MEETING – 27 FEBRUARY 2020

The Minutes of the Ordinary Council Meeting held on 27 February 2020 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 27 February 2020 be confirmed as a true record of the proceedings.

Cr Proud moved, Cr Ferrante seconded

RESOLVED

That the recommendation be adopted.

(CARRIED UNANIMOUSLY 12/0)

8.2 SPECIAL COUNCIL MEETING – 02 APRIL 2020

The Minutes of the Special Council Meeting held on 02 April 2020 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 02 April 2020 be confirmed as a true record of the proceedings.

Cr Sargent moved, Cr Kosova seconded

RESOLVED

That the recommendation be adopted.

(CARRIED UNANIMOUSLY 12/0)

9.1 CHIEF EXECUTIVE OFFICER REPORTS

9.1	FINANCIAL STATEMENTS FOR THE MONTHS ENDED 31 JANUARY 2020 AND 29 FEBRUARY 2020
File No:	FIN/5-09
Appendix(s):	Appendix No. 1 Appendix No. 2 Appendix No. 3
Date:	9 APRIL 2020
Responsible Officer:	DIRECTOR CORPORATE SERVICES

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 are for the months ended 31 January 2020 and 29 February 2020 and are attached at **Appendix No. 1 and 2** to this Item. The Tonnage Report for the 8 months to 29 February 2020 is attached at **Appendix No. 3**.

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.

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 date period ended 29 February 2020

	Actual	Budget	Variance
	t	t	t
Tonnes – Members	166,179	178,148	(11,969)
Tonnes – Others	8,648	10,961	(2,313)
TOTAL TONNES	174,827	189,110	(14,282)
	\$	\$	\$
Revenue – Members	34,075,181	36,550,990	(2,475,809)
Revenue – Other	3,866,820	4,397,584	(530,764)
TOTAL REVENUE	37,942,001	40,948,574	(3,006,573)
Expenses	38,061,809	37,803,484	(258,325)
Profit on sale of assets	283,953	229,151	54,802
Loss on sale of assets	118,380	129,271	10,891
Impairment of assets	-	-	-
NET SURPLUS	(45,765)	3,244,970	(3,199,205)

Commentary

Member tonnes for the year to date are 11,969 tonnes behind phased budget, the largest of these waste streams relating to the Cities of Joondalup and Stirling.

The net result variance against budget of \$3,199,205 is mainly attributable to budgeted tonnage related expenditure.

RRF

The Resource Recovery Facility residue tonnes are above budget by 5,829 tonnes delivering 40,056 tonnes in total to Tamala Park year to date. This is due to the less organic waste being delivered to the facility.

Trade & Casuals

The Casual and Trade tonnages are 2,313 tonnes lower than forecast for the financial year as trade customers find alternative options for waste disposal.

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That the Financial Statements set out in Appendix No. 1 and 2 for the months ended 31 January 2020 and 29 February 2020, respectively, are received.

Cr Kosova moved, Cr Fishwick seconded

RESOLVED

That the recommendation be adopted.

(CARRIED UNANIMOUSLY 12/0)

9.2 LIST OF PAYMENTS MADE FOR THE MONTHS ENDED 31 JANUARY 2020 AND 29 FEBRUARY 2020	
File No:	FIN/5-09
Appendix(s):	Appendix No. 4 Appendix No. 5
Date:	9 April 2020
Responsible Officer:	Director Corporate Services

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 January 2020 and 29 February 2020 are at **Appendix 4 and 5** to this Item and are presented to Council for noting. Payments have been made in accordance with the delegated authority to the CEO which allows payments to be made between meetings. At the Ordinary Council Meeting held on 19 September 2019, 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 the 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 January 2020	General Municipal	Cheques	\$4,016.14
		EFT	\$7,228,454.12
		DP	\$256,547.10
		Inter account transfers	\$0.00
		Total	\$7,489,017.36
29 February 2020	General Municipal	Cheques	\$8,606.35
		EFT	\$3,758,845.31
		DP	\$223,728.72
		Inter account transfers	\$3,000,000.00
		Total	\$6,991,180.38

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 January 2020 and 29 February 2020, be noted.

Cr Vernon moved, Cr Jacob seconded

RESOLVED

That the recommendation be adopted.

(CARRIED UNANIMOUSLY 12/0)

9.3	RESPONSE TO LOCAL RECYCLING INDUSTRY CHALLENGES
File No:	GF/20-160
Appendix(s):	nil
Date:	14 April 2020
Responsible Officer:	Chief Executive Officer

At the Ordinary Council Meeting on 27 February 2020, the Council resolved:

That this motion be deferred to the 23 April 2020 Ordinary Council meeting to allow the CEO to bring a report back to Council to respond to Councillor's questions.

SUMMARY

The purpose of this report is to seek Council's endorsement of the Administration's proposed responses to the current recycling crisis in WA, aimed at helping provide relief to the MRC's member councils.

BACKGROUND

There are currently three Materials Recovery Facilities (MRFs) in operation in Western Australia.

One is operated by the Southern Metropolitan Regional Council (SMRC), with the remaining MRFs being operated by commercial contractors, Cleanaway and SUEZ.

The Mindarie Regional Council's (MRC) member councils will typically have contracted the processed of the recyclable material from their yellow lidded kerbside bins to one of the two commercial contractors.

On 25 November 2019, a fire at their facility in South Guildford rendered the processing infrastructure at Cleanaway's MRF unusable.

While the SMRC and SUEZ have some spare capacity at their facilities, it is insufficient to accommodate all the material that was being sent to Cleanaway.

The MRC's member councils who were under contract with Cleanaway have made various arrangements – either through Cleanaway or independently – to have their material processed at one of the two remaining facilities.

DETAIL

Given the net shortage of processing capacity post the fire, despite the best efforts of all parties involved, some of the kerbside recycling material stream will inevitably end up in landfill in the short term until other arrangements can be made.

Given the differential rates between the MRC's members' gate fee and the members' contracted recycling fees, those member councils diverting their recyclables material stream to the MRC are facing a significant unbudgeted increase in their waste processing costs.

Given that the recycling waste stream being brought to the MRC represents unbudgeted tonnes to landfill, the MRC is in a position to provide a discounted gate fee rate to members without prejudicing the MRC's immediate financial position.

In a bid to assist those of its members affected by this crisis, the MRC is seeking approval to:

1. Provide a reduced gate fee of \$125 per tonne to members in respect of their recycling waste stream being diverted to landfill. This covers the MRC's direct costs associated with landfilling the waste and an appropriate contribution to the MRC's ongoing operating costs.
2. The discounted rate would only be available to MRC member councils and would only be applicable to the yellow bin recyclable material that would otherwise have gone to Cleanaway but for the fire.
3. The rate would be applied retrospectively to tonnes received from the start of the crisis, and the rate would expire on 30 June 2020. Any consideration of the continuance of the arrangement will be separately considered as part of the 2020/21 budget approval process.

In addition, the MRC is proposing that the Chief Executive Officer (CEO) write to the Environment Minister advocating for an exemption of the landfill levy in respect of the tonnes contemplated above, for the duration of the crisis.

CONSULTATION

Nil.

STATUTORY ENVIRONMENT

Nil.

STRATEGIC/COMMUNITY AND CORPORATE/BUSINESS PLAN IMPLICATIONS

Nil.

FINANCIAL IMPLICATIONS

Any tonnes received at the discounted rate will continue to contribute positively to the MRC's overall financial position, although naturally at a lesser contribution were the discount not provided.

Primarily however, the intent of the initiative is to provide support to affected member councils.

COMMENT

The unforeseen failure of a significant commercial contractor in the WA market has resulted in a crisis situation for a number of member councils.

Rather than take full commercial advantage of the situation, the MRC is looking to support affected member councils through the provision of a discounted rate for recyclable materials that would otherwise have been processed by Cleanaway.

VOTING REQUIREMENT

Absolute Majority / Simply majority

ORIGINAL RESPONSIBLE OFFICER RECOMMENDATION

That Council:

1. Authorises the CEO to provide a discounted rate of \$125 per tonne to those of its member councils who are having to divert kerbside recycling material that would otherwise have gone to Cleanaway for processing to the MRC, applicable to the recycling material sent to MRC between 25 November 2019 and 30 June 2020.

(Absolute majority)

2. Authorises the CEO to write to the Environment Minister advocating for a rebate of the landfill levy to member councils in respect of the tonnes contemplated above, for the duration of the crisis, for the specific purpose of reinvestment in waste processing infrastructure.
-

ADDITIONAL INFORMATION

Status of recycling processing capacity

Since the original report was drafted, both the SUEZ MRF and the SMRC MRF have expanded their operations by adding additional shifts to run their MRF's for longer and at a higher throughput. Based on the information we have, all the contents of the yellow-lidded bins coming from the MRC's member councils are now being processed through a MRF, rather than going to landfill.

Member Councils impacted by the Cleanaway fire

Generally, member councils are experiencing an increase in processing costs for the yellow-lidded bin material following the fire.

City of Perth	not a Cleanaway customer and only impacted by overall pricing increases
Town of Cambridge	not a Cleanaway customer and not impacted at all
City of Stirling	not a Cleanaway customer and only impacted by overall pricing increases
City of Vincent material	material was dealt with by Cleanaway under their contract and no additional charges were incurred. A limited amount of was diverted to landfill in the initial weeks following the fire. Material now being sent to the SMRC MRF.
Town of Victoria Park material	material was dealt with by Cleanaway under their contract and no additional charges were incurred. A limited amount of was diverted to landfill in the initial weeks following the fire. Material now being sent to the SMRC MRF.
City of Joondalup	material which was going to Cleanaway was diverted to SUEZ, with the city having to pay the additional costs for transport and processing. No material was sent to landfill.
City of Wanneroo	material which was going to Cleanaway was diverted to Tamala Park for a 2 months, totalling 3,685 tonnes. This was paid for at the members' gate fee of \$205 per tonne (excl GST).

In summary:

- a number of councils have been or will be impacted by the general increase in costs for processing recyclable material from the yellow-lidded bin, following the fire
- 3 councils had no direct impact as a result of the fire
- 2 councils temporarily lost recyclable tonnes to landfill while arrangements with the SMRC MRF were being made, but they incurred no additional cost
- 2 councils have incurred additional direct costs as a result of the fire

Current MRC charges

MRC members' gate fee - \$205 per tonne (excl GST)

Non-members' gate fee - \$194 per tonne (excl GST)

Impact on City of Wanneroo

Tonnes of recycling delivered to the MRC – 3,685 tonnes

Total cost at Members' Gate Fee - \$755,425

ADDITIONAL COMMENTS

When the matter of a discounted rate for recyclables being sent to landfill at Tamala Park was first discussed in December 2019, there was an expectation that more than one of the member councils may make use of Tamala Park to dispose of their material.

Similarly, at the time the original report and recommendation were drafted, the continuation of Cleanaway's temporary arrangement with the SMRC for processing recyclables was uncertain.

Based on the fact that only one of the MRC's member councils would stand to benefit from the original proposed discount regime, notwithstanding the fact that other member councils have also incurred additional costs as a result of the fire, the original recommendation is no longer considered the most appropriate course of action.

In addition, given the recent impact of the COVID-19 pandemic on the MRC's member councils and their ratepayers, it seems more appropriate that the MRC focus on managing its finances in such a way that it is able to keep the members' gate fee unchanged for the 2020/21 financial year.

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That Council:

Authorises the CEO to engage with the Environment Minister on the creation of additional strategic recycling capacity in the northern corridor, through the identification of preferred sites, and through the provision of incubation funding from the WARR account for a defined period of time.

Cr Cvitan moved, Cr Newton seconded

AMENDED RECOMMENDATION

That Council:

- 1. Authorises the CEO and the Chairman to engage with the Environment Minister on the creation of additional strategic recycling capacity in the northern corridor, through the identification of preferred sites, and through the provision of incubation funding from the WARR account for a defined period of time.**
- 2. Requests a further report investigating the option to provide a special rate to Member Councils for the disposal of recycling materials at Tamala Park Landfill between 25 November 2019 and 30 June 2020 taking into consideration the recycling processing market rate/s at the time and the information stipulated in the reasons for the amendment.**

(CARRIED UNANIMOUSLY 12/0)

REASON FOR AMENDMENT

A reduced rate equivalent to the current market recycling processing rate is considered to be a fairer proposition. To enable an informed decision on this matter, the report needs to provide further information as per the following questions:

1. It appears that not all questions asked by Councillors at MRC OCM on 27 February 2020 have been answered in the additional information to Item 9.3. Could Administration provide a copy of all questions that were asked by Councillors relating to this item and Administration's answers in the order they were asked?
 2. Was the offer of a reduced rate to accept recycling materials at Tamala Park Landfill made to all member councils or to only some of them?
 3. What was the basis of this offer – presumably to demonstrate a regional approach? Could Administration advise and confirm that this is the case?
 4. When this issue was first discussed at the December SWG meeting, how was the proposal to provide a potentially reduced gate fee to affected member councils received?
-

5. Please provide financial modelling on the anticipated financial impact of the COVID-19 Pandemic on MRC and how this impacts on the revised recommendation, as presented by Administration;
 6. An \$80/tonne difference between the rates of \$205/tonne and \$125/tonne will equate to \$294,800. Does Administration think that this additional revenue to MRC will have a material impact on the Gate Fee for 2020/21?
 7. Why has no comment been provided within the officer's report to offer a non-member's gate fee for any affected member councils?
 8. Why was no consideration given to offer a rate equivalent to the current market recycling processing rate, which would have been a fairer proposition?
 9. Could Administration confirm if this potential offer to member councils was first discussed and proposed when the impact of the Cleanaway fire was unknown on the four of the seven member councils that had Cleanaway as a contractor? If yes and had there been an opportunity for MRC to consider a reduced rate then, would Administration have recommended a reduced rate or not?
-

10 MEMBERS INFORMATION BULLETIN – ISSUE NO. 53

RESPONSIBLE OFFICER RECOMMENDATION

That the Members Information Bulletin Issue No. 53 be received.

Cr Proud moved, Cr Cvitan seconded
RESOLVED

That the recommendation be adopted.
(CARRIED UNANIMOUSLY 12/0)

11 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

12 URGENT BUSINESS

Nil

13 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

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

Nil

15 NEXT MEETING

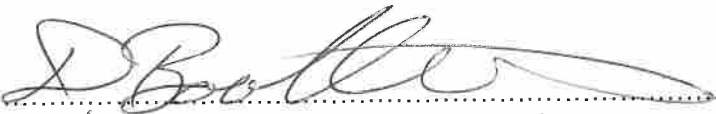
Next Special Council meeting to be held on 21 or 28 May 2020, this meeting will be held electronically.

The next Ordinary Council meeting is to be held on Thursday 02 July 2020 commencing at 6.30 pm and scheduled to take place in the Council Chambers at the City of Stirling, noting that this meeting may be held electronically if required.

16 CLOSURE

The Chair closed the meeting at 7.03 pm, the Chair thanked Councillors for their participation by electronic means.

These minutes were confirmed by the Council as a true and accurate record of the Ordinary Meeting of Council held on 23 April 2020.

Signed  Chair
Dated 23rd day of JULY 2020