



# INFORMATION BULLETIN

Issue No. 64



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**RRF Update Report for reporting period September 2021**

RESOURCE RECOVERY FACILITY UPDATE REPORT	
<b>File No:</b>	<b>WST/13-09</b>
<b>Attachment/s:</b>	<b>Nil</b>
<b>Date:</b>	<b>23 September 2021</b>
<b>Prepared by:</b>	<b>DIRECTOR CORPORATE SERVICES</b>

This report presents a summary of activities that have taken place in the reporting period covering 1 August to 31 August 2021. This will be the final Resource Recovery Facility (RRF) update report as the facility closed on 31<sup>st</sup> August, 2021.

## OPERATIONAL MATTERS

Due to the change in organics handling in Perth, now and into the future, it means that the RRF is no longer the most suitable processing infrastructure and technology for its current material stream. To this end, Mindarie Regional Council (MRC) and BioVision finalised negotiations and terminated their processing agreement with effect from 31 August, 2021.

All waste receiving ceased on 31 August, 2021.

The MRC has taken ownership of the RRF and is currently assessing how best it can be used in the future.

## OPERATIONAL INFORMATION

### Waste Delivery

#### Waste Delivery Summary for Reporting Period

MONTH	SCHEDULED TONNES	DELIVERED TONNES	DIFFERENCE TONNES
August 2021	8,800	8,811	11

For the 13<sup>th</sup> Contract Year, for the period to 31 August 2021, the RRF was ahead of its tonnage schedule as a result of additional throughput at the plant by a figure of 364 tonnes.

The RRF operated as anticipated in the RRFA, with average availability of 106% over the past 12 months.

On a monthly basis, Additional Tonnes (those tonnes greater than the monthly scheduled tonnes) only incurred the Variable Operating Cost charge, but not the Capital Cost or Fixed Operating Cost charges.

Unavailable Tonnes (those tonnes less than the monthly scheduled tonnes) were not paid for unless:

- Within the Contract Year there was a positive balance of Additional Tonnes. These Additional Tonnes can be off-set against the Unavailable Tonnes. In this case, any off-set Additional Tonnes incurred the full gate fee cost less the Variable Operating Cost (which had already been paid on the Additional Tonnes); or

- If the RRF Availability for a month was less than 92% of the monthly Scheduled Tonnes and there were no accumulated Additional Tonnes remaining to be off-set, then the MRC was required to pay the Capital Cost on all Unavailable Tonnes up to 92% of the monthly Scheduled Tonnes.

At the end of any Contract Year, if 100,000 tonnes of waste had been delivered to the RRF then the above “overs and unders” system should balance out.

The exception to the above was the volume of material that was not processed during the composter replacement program which took place in 2015. The MRC entered into a standstill deed with BioVision at that time which dealt with the operations of the plant during the relevant period. The tonnes scheduled for processing but not processed during the shutdown were recorded as Accrued Tonnes. The MRC had already paid the capital cost component of the RRF Gate Fee in relation to these tonnes and so the Accrued Tonnes were to be processed for the MRC at the end of the RRFA contract with the MRC only having to pay the fixed and variable components of the RRF Gate Fee.

#### Waste Diversion

Waste Diversion for the past six months (ended August 2021) was 45.7% against a Waste Diversion Target of 43.3%.

#### Community Complaints

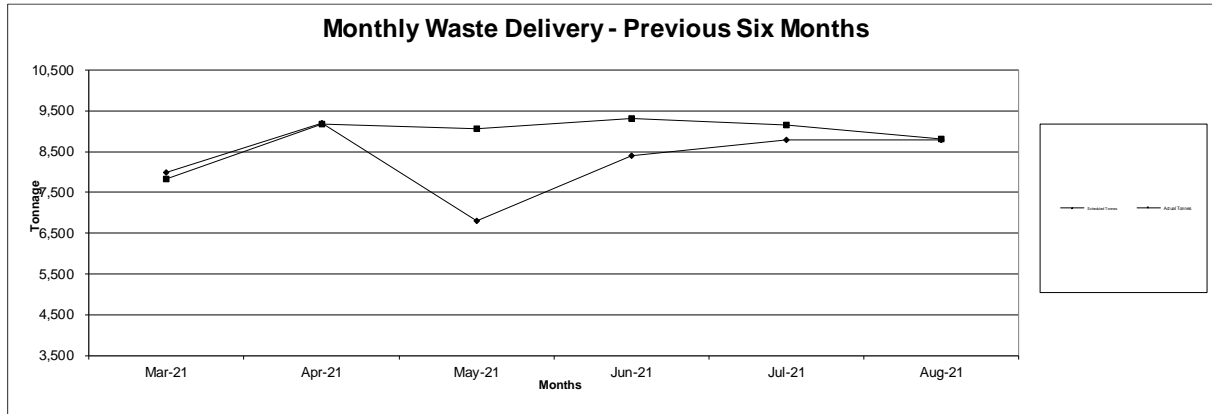
During the operational period, BioVision continued engagement with selected key stakeholders in the area, in particular the nearby Banksia Grove residential development and the Wanneroo Golf Course.

### **COMMUNITY COMPLAINTS SUMMARY FOR THE REPORTING PERIOD**

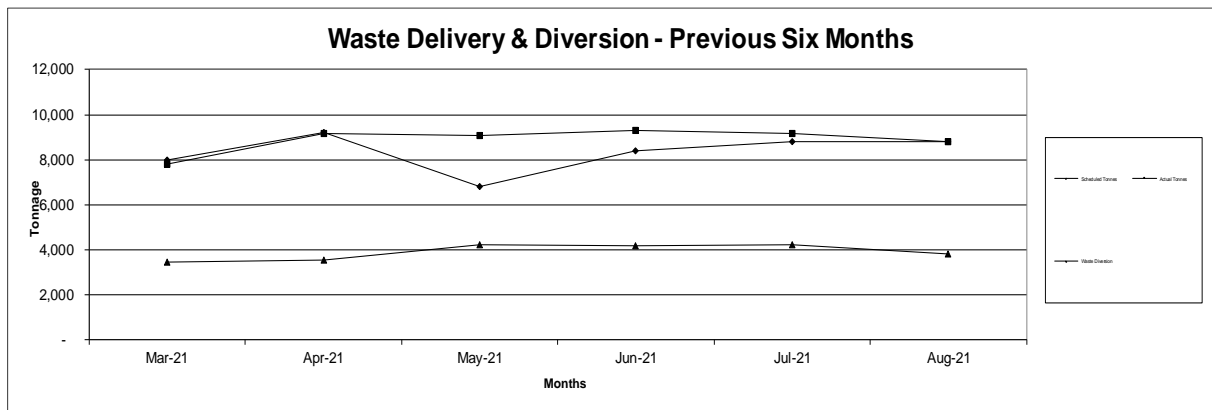
Date	Complaint	From	Outcome
August 2021	None	N/A	N/A

The graphs below provide data up to **31 August 2021**.

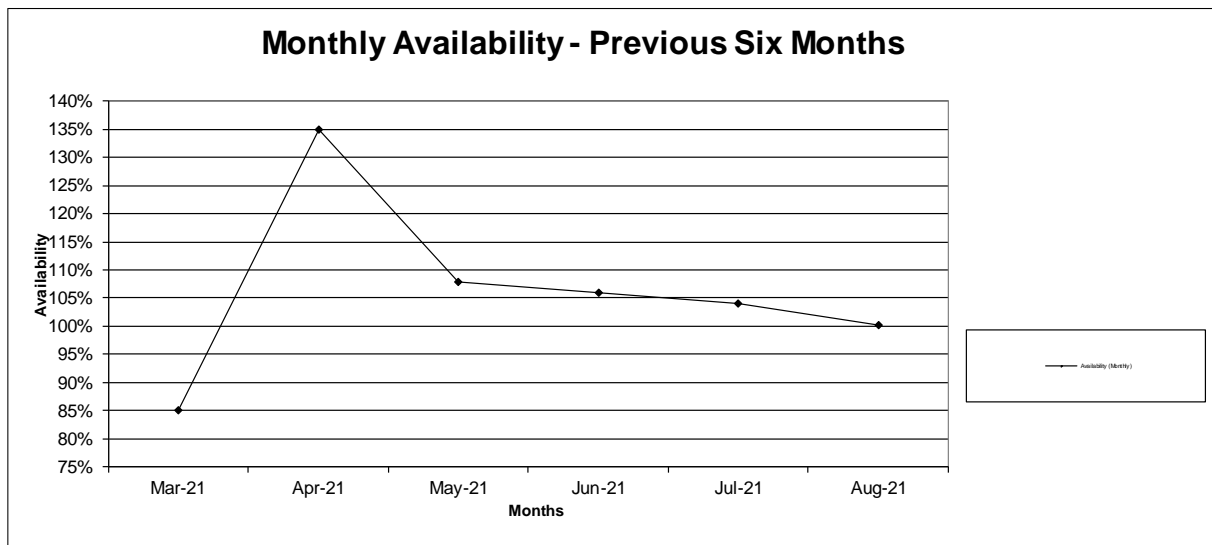
**Graph No. 1 – Monthly Waste Delivery – Previous Six Months**

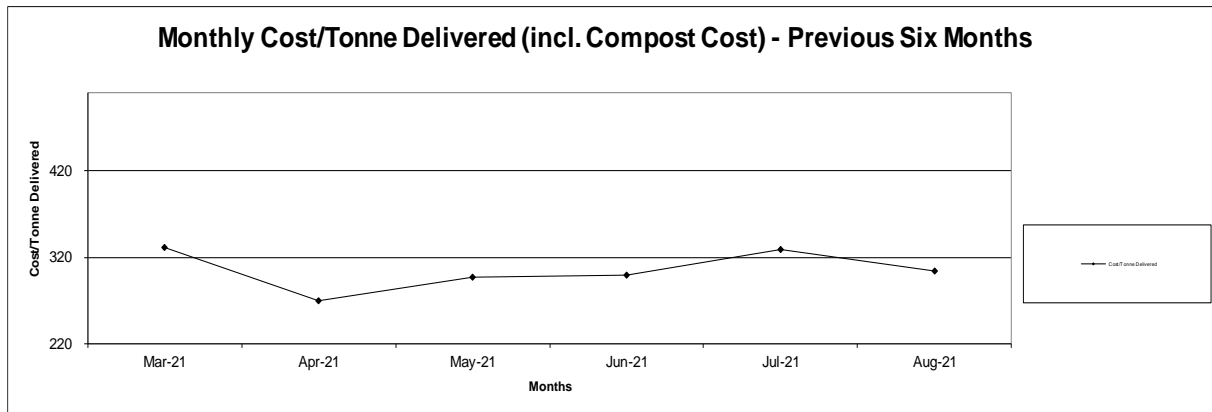
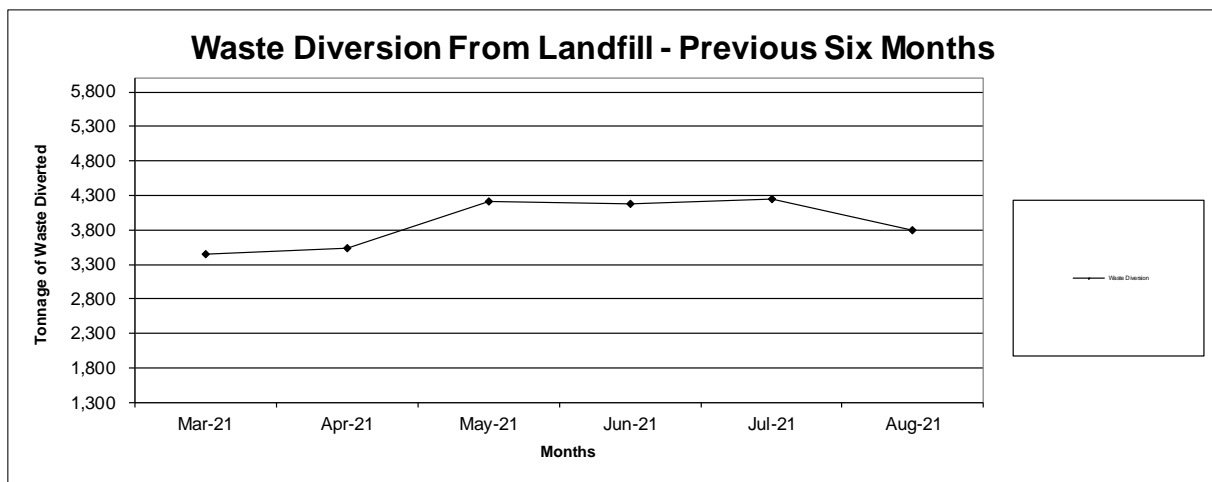


**Graph No. 2 – Waste Delivery & Diversion – Previous Six Months**



**Graph No. 3 – Monthly Availability – Previous Six Months**



**Graph No. 4 – Monthly Cost/tonne Delivered (incl. Compost Cost) – Previous Six Months****Graph No. 5 – Waste Diversion from Landfill – Previous Six Months**

## Performance Indicators

KPI's as per the RRFA are as follows:

**Table No. 1 – KPI Summary (to 31 August 2021)**

KPI	Target	Previous six months	August
Availability*	95%	106.3%	100%
Environmental Standard - Number of Breaches	0	0	0
Waste Diversion*****	43.3%	45.7%	43.2%
Quality of Compost - Number of Breaches**/*****	0	0	0
Quantity of Recyclable Packaging ***	1.2%	0.8%	0.2%
Health and Safety - Number of LTI's	0	0	0
Community Acceptance - Number of Complaints ****	0	0	0
Project Culture - PAG Chairperson Score	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 was amended by the revisions to the RRFA approved by Council at its meeting of 6 December 2012 and signed under common seal in May 2013.

\*\*\* Financial impacts of the KPI were removed by the revisions to the RRFA approved by Council at its meeting of 6 December 2012 and signed under common seal in May 2013. Ferrous diversion has recommenced.

\*\*\*\* 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.

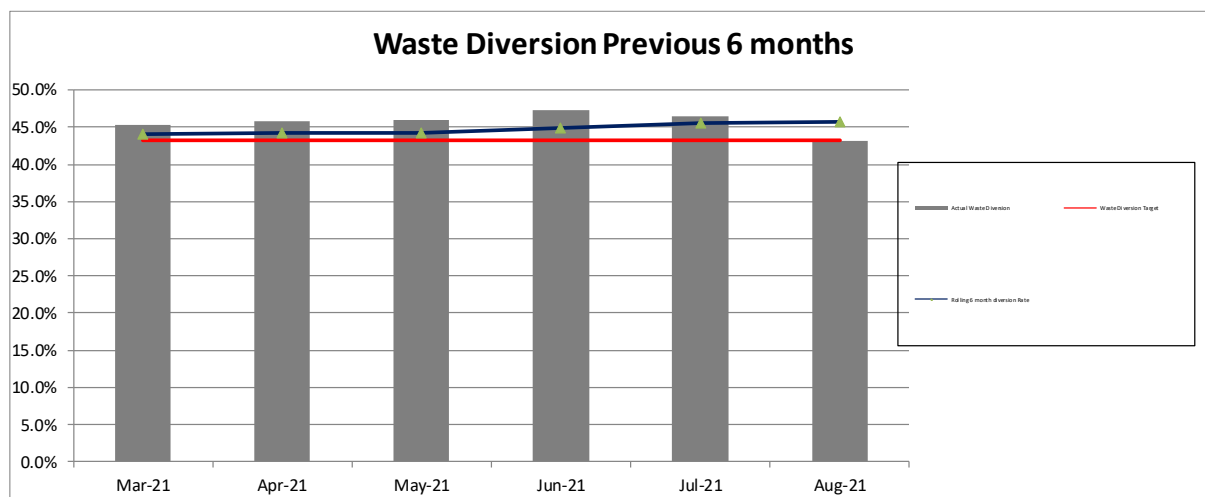
\*\*\*\*\*KPI's were suspended and closely monitored as City of Joondalup transition to a change in bin system (3 bins). The Soluble Phosphorus and Electrical Conductivity KPI's were further suspended at 2 April 2020 Special Council Meeting until September 2020.

\*\*\*\*\*Waste Diversion targeted was renegotiated to 43.3% from 51.3% in December 2019.

The facility closed on the 31<sup>st</sup> August, 2021.

## Waste Diversion

The average waste diversion for the past six months (March 2021 to August 2021) has been 45.7%



## Project Advisory Group (PAG)

### **MRC Representatives:**

Cr Dot Newton JP  
 Gunther Hoppe (CEO)  
 Andrea Slater (DCS)  
 Cr Frank Cvitan JP (alternative)

### **BioVision Representatives:**

Craig Barker  
 Daniel van Veen  
 Frank Sciarrone  
 Alan Turner  
 Francois Gouezigoux  
 Ian Hunter (alternative)

### **Chairperson:**

Ian Watkins

The PAG last met on 18 August 2021.

Items dealt with by the group included:

- Presentation from C-Wise
- BioVision Monthly Report/Updates
- Audit matters
- Contractual amendments, DWER Licence renewal discussion, COVID-19
- Residue Waste and deliveries
- COW third bin impact

Copies of the meeting minutes are distributed to the Strategic Working Group members and all MRC Councillors following the meetings.

## FINANCIAL IMPLICATIONS

### Operational Expenditure

The Project Operational Summary below sets out the 2021/22 facility operating budget against which operational costs are tracked throughout the year. The variance over budget is as a result of the settlement of the contract with BioVision.

#### Project Operational Costs Summary for 2020/21 Financial Year – for the period ended 31 August 2021

##### OPERATING STATEMENT For the month ended 31 August 2021

Description	Adopted Budget	Revised Budget	YTD Budget	YTD Actual	\$ Remaining Bal of Budget	% Balance
<b>Resource Recovery Facility</b>						
<b>Operating Expenditure</b>						
<b>Employee Costs</b>						
Salaries	-	-	-	-	-	
Allowances	-	-	-	-	-	
Workers Compensation Premium	-	-	-	-	-	
	-	-	-	-	-	
<b>Consultants and Contract Labour</b>						
Consultancy	10,000	10,000	-	-	10,000	100.00%
	<b>10,000</b>	<b>10,000</b>	-	-	<b>10,000</b>	<b>100.00%</b>
<b>Office Expenses</b>						
Cleaning of Buildings						
General cleaning (Enviro Care)	-	-	-	-	-	
Window cleaning	-	-	-	-	-	
	-	-	-	-	-	
<b>Information System Expenses</b>						
Computer System Maintenance						
ICT contractors costs	2,000	2,000	-	-	2,000	100.00%
Newcastle Weighing Services-Gen Maintenance	12,000	12,000	2,000	1,738	10,263	85.52%
Vertical Telecom P/L-Maint of Microwave Ant	6,000	6,000	1,000	903	5,097	84.95%
	<b>20,000</b>	<b>20,000</b>	<b>3,000</b>	<b>2,640</b>	<b>17,360</b>	<b>86.80%</b>
<b>Building Maintenance</b>						
Building Maintenance						
Airconditioning Maintenance	2,500	2,500	300	300	2,200	88.00%
Septic system maintenance	-	-	-	-	-	
Community Education Centre	2,500	2,500	-	-	2,500	100.00%
Weighbridge and Calibration	9,000	9,000	-	-	9,000	100.00%
Building Security						
Security - Monitoring	-	-	-	-	-	
	<b>14,000</b>	<b>14,000</b>	<b>300</b>	<b>300</b>	<b>13,700</b>	<b>97.86%</b>
<b>RRF Operation Expenses</b>						
Fencing and Gate Maintenance						
Fencing and Gate Maintenance	-	-	-	-	-	
Repair of Boom Gate	-	-	-	-	-	
Access control infrastructure maintenance	-	-	-	-	-	
Road Maintenance	-	-	-	-	-	
Bores and Pipework						
Bore maint/calibration/electronics	5,000	5,000	-	-	5,000	100.00%
Groundwater sampling	2,000	2,000	-	-	2,000	100.00%
Bacteria sampling	1,000	1,000	-	-	1,000	100.00%
Vermis control	500	500	-	-	500	100.00%
Spills/leaks/incident management	500	500	-	-	500	100.00%
Environmental monitoring	5,000	5,000	-	-	5,000	100.00%
Landscaping and Gardens	5,000	5,000	-	-	5,000	100.00%
Compost Disposal	472,050	472,050	83,080	52,089	419,961	88.97%
Contractor's Fees	30,132,431	30,132,431	5,288,036	5,386,172	24,746,259	82.12%
RRF Maintenance Funding	250,000	250,000	-	-	250,000	100.00%
	<b>30,873,481</b>	<b>30,873,481</b>	<b>5,371,116</b>	<b>5,438,261</b>	<b>25,435,220</b>	<b>82.39%</b>
<b>Utilities</b>						
Electricity	5,100	5,100	850	840	4,260	83.53%
Rates	105,000	105,000	17,500	19,553	85,447	81.38%
	<b>110,100</b>	<b>110,100</b>	<b>18,350</b>	<b>20,393</b>	<b>89,707</b>	<b>81.48%</b>
<b>Insurance</b>						
Municipal Property Insurance	4,000	4,000	666	732	3,268	81.70%
Public Liability Insurance	6,500	6,500	1,082	1,094	5,406	83.17%
	<b>10,500</b>	<b>10,500</b>	<b>1,748</b>	<b>1,826</b>	<b>8,674</b>	<b>82.61%</b>
<b>Other Expenditures</b>						
RRF Payout	-	-	-	85,225,441	(85,225,441)	
	-	-	-	<b>85,225,441</b>	<b>(85,225,441)</b>	
<b>Amortisations</b>						
Amortisation Pre-operating Costs	104,784	104,784	17,464	17,464	87,320	83.33%
Amortisation Costs	358,007	358,007	59,667	59,666	298,341	83.33%
	<b>462,791</b>	<b>462,791</b>	<b>77,131</b>	<b>77,130</b>	<b>385,661</b>	<b>83.33%</b>
<b>Depreciation</b>						
Depreciation on Building	36,515	36,515	6,085	6,086	30,429	83.33%
Depreciation on Infrastructure	43,183	43,183	7,197	7,197	35,986	83.33%
	<b>79,698</b>	<b>79,698</b>	<b>13,282</b>	<b>13,283</b>	<b>66,415</b>	<b>83.33%</b>
<b>Total Operating Expenditure</b>	<b>31,580,570</b>	<b>31,580,570</b>	<b>5,484,927</b>	<b>90,779,274</b>	<b>(59,234,690)</b>	<b>(187.57%)</b>
<b>Net Total</b>	<b>(31,580,570)</b>	<b>(31,580,570)</b>	<b>(5,484,927)</b>	<b>(90,779,274)</b>	<b>59,234,690</b>	<b>(187.57%)</b>

<b>Summary of Council Resolutions</b>
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List of resolutions for the financial year 2021/2022 plus any outstanding resolutions from previous years			
OCM /SCM Date	Item #	Resolution	Status
16-Sep-21	8.1	That the Minutes of the Ordinary Meeting of Council held on 12 August 2021 be confirmed as a true record of the proceedings.	For Information
	8.2	That the Minutes of the Special Meeting of Council held on 19 August 2021 be confirmed as a true record of the proceedings.	For Information
	9.1	That Council: Receive the Financial Statements set out in Appendix No. 1 for the month ended 31 July 2021.	For Information
	9.2	That Council: Receive the Financial Statements set out in Appendix No. 1 for the month ended 31 July 2021.	COMPLETED
	9.3	That Council: 1. Endorses the minor changes to Council Policies as contained in Appendix 4 of this report save for Policy No. CP14 which is to be referred to the CEO for detailed review to be completed by November 2021. 2. Approves an increase to CAPEX expenses for CP08 Provision and Use of Council Vehicles as detailed in Appendix 4 of this report. 3. Endorses the delegations made to the Chief Executive Officer as detailed in Attachment 1 of this report subject to the deletion of Condition 1 in No 2.8.	COMPLETED
	9.4	That Council: 1. Resolves to provide an undertaking to the Joint Standing Committee on Delegated Legislation that:  i. Mindarie Regional Council, within six months, undertakes to remove clauses 27 and 27A of the Mindarie Regional Council Waste Facility Site Local Law 2013 (as amended) and either item 18 or item 20 in Schedule 1 to the Mindarie Regional Council Waste Facility Site Local Law 2013 (as amended) or combine them into the same item;  ii. Mindarie Regional Council undertakes not to enforce the Mindarie Regional Council Waste Facility Site Local Law 2013 (as amended) contrary to undertaking i;  iii. Mindarie Regional Council undertakes to ensure that all consequential amendments arising from undertaking i will be made; and  iv. Mindarie Regional Council undertakes that, where the Mindarie Regional Council Waste Facility Site Local Law 2013 (as amended) is made publicly available, whether in hard copy or electronic form, it will ensure that it is accompanied by a copy of the undertakings.	COMPLETED
	9.5	Substantive Recommendation as amended: 1. Adopt the meeting dates as follows: 27/01/2022 24/03/2022 26/05/2022 7/07/2022 25/08/2022 29/09/2022 24/11/2022 15/12/2022 2. Issue a Public Notice on the meeting locations, dates and times as detailed in (1) above in accordance with Part 12 (1) of the Local Government (Administration) Regulations 1996 and the Local Government Act 1995. 3. Adopt two Strategy Workshops for 2022, following the Ordinary Council meeting on the following dates: 24/03/2022 and 29/09/2022	COMPLETED
	10	That the Members Information Bulletin Issue No. 63 be received.	For information
19-Aug-21	6.1	That Council: 1. Authorises the Chief Executive Officer and the Chair to execute the Final Draft Deed of Settlement at Appendix 3, subject to:  a. minor drafting changes that may be required, after consultation with the MRC's legal advisors, and  b. conditions precedent in the deed being met, and  c. Inclusion of a new clause including associated drafting in the Deed of Settlement with the intent to specifically address the Contractor's release in respect of the local government parties, ensuring that on completion, the Contractor:  i) releases and discharges the Local Government Parties from any claim, action, demand, suit or proceeding for damages, debt, restitution, equitable compensation, account, injunction, specific performance or any other remedy that Contractor has or may have against the Local Government Parties under or in in respect of the Deed of Guarantee or its termination in accordance with this document, whether arising at common law, in equity, or under statute or otherwise (the Local Government Released Matters); and	COMPLETED

OCM /SCM Date	Item #	Resolution	Status
		<p>ii) <i>covenants with the Local Government Parties not to claim, sue or take any action against the Local Government Parties in respect of the Local Government Released Matters, and</i></p> <p>2. Concurrent with the execution of point 1. above, authorises the Chief Executive Officer to proceed with the Major Land Transaction in respect of the re-acquisition of a leasehold interest in the land at 109 (Lot 801) Pederick Road, Neerabup, and</p> <p>3. Subject to execution of point 1. above, authorises the Chief Executive Officer and the Chair to execute the Final Draft Operating Agreement at Appendix 4, subject to any minor drafting changes that may be required, after consultation with the MRC's legal advisors, with the costs reflected in the ECMS Plan at Appendix 5, being funded in the mid-year budget review, and</p> <p>4. Subject to successful completion of the settlement transaction, approves the reduction in the MRC Members' Gate Fee from \$213 per tonne to \$162.50 per tonne (both excluding GST), effective from 1 September 2021, with the change to be reflected in the mid-year budget review.</p>	<p><b>COMPLETED</b></p> <p><b>COMPLETED</b></p> <p><b>COMPLETED</b></p>
12-Aug-21	14.1	<p>That Council:</p> <p>1. Appoint the Operations Manager, Mr Brendan Twine, as the Interim Chief Executive Officer from 3 September 2021 to the earlier of 28 September 2021 or the date the new CEO commences.</p> <p>2. Approves the proposed remuneration in respect of item 1, as contained in the Detail section of the confidential report, in accordance with the Salaries and Allowance Tribunal Band 3 for Regional Council CEOs.</p>	<p><b>COMPLETED</b></p> <p><b>COMPLETED</b></p>
	10	That the members Information Bulletin Issue No. 62 be received.	<b>For information</b>
	9.5	To appoint Cr Vernon as the member of the Municipal Waste Advisory Council.	<b>COMPLETED</b>
	9.4	<p>That Council:</p> <p>1. Resolves to provide an undertaking to the Joint Standing Committee on Delegated Legislation that:</p> <ul style="list-style-type: none"> <li>i. Within six months, the MRC will remove either item 18 or 20 in Schedule 1 of the Local Law or combine them to the same item.</li> <li>ii. The MRC will not enforce the local law contrary to the undertaking in i. above.</li> <li>iii. The MRC will ensure all consequential amendments arising from the undertaking will be made.</li> <li>iv. Where the Local Law is made publicly available by the MRC, whether in hard copy or electronic form, the MRC will ensure that it is accompanied by a copy of these undertakings.</li> </ul> <p>2. Approves the Chair to write to the Joint Standing Committee on Delegated Legislation requesting the Committee to give further consideration to allow the Mindarie Regional Council Amendment Local Law 2020, on the basis that clauses 27 and 27A are deleted.</p>	<b>COMPLETED</b>
	9.3	<p>That Council:</p> <p>1. Resolves to provide the following undertakings to the Joint Standing Committee on Delegated Legislation that:</p> <ul style="list-style-type: none"> <li>1. When the Local Law is next reviewed, the MRC will: <ul style="list-style-type: none"> <li>a) Correct the typographical errors as outlined under point 2 in the Detail section of this report</li> <li>b) Include a definition of 'substantive motion' in the Local Law and the amendments as outlined under point 3 in the Detail section of this report</li> <li>c) Ensure all consequential amendments arising from the undertaking will be made.</li> </ul> </li> <li>2. The MRC will not enforce the Local Law contrary to undertaking 1.1.</li> <li>3. Where the Local Law is made publicly available by the MRC, whether in hard copy or electronic form, the MRC will ensure that it is accompanied by a copy of the undertaking.</li> <li>4. The MRC will provide clarification about the removal of clause 16.2, as outlined under point 1 in the Detail section of this report</li> <li>5. The MRC will provide clarification about the interaction between clauses 7.15 (3) and 7.16 (1) (b), as outlined under point 4 in the Detail section of this report.</li> </ul> <p>2. Approves the Chair to write to the Joint Standing Committee on Delegated Legislation, providing the required clarification and corrections for the Mindarie Regional Council Meeting Procedures Local Law 2020.</p>	<b>COMPLETED</b>
	9.2	Note the list of payments made under delegated authority to the Chief Executive Officer, for the months ended 31 May 2021 and 30 June 2021.	<b>For information</b>
	9.1	Receive the Financial Statements set out in Appendix No. 1 and Appendix No. 2 for the months ended 31 May 2021 and 30 June 2021.	<b>For information</b>
	8.2	That the Minutes of the Special Meeting of Council held on 08 July 2021 be confirmed as a true record of the proceedings.	<b>For information</b>
	8.1	That the Minutes of the Ordinary Meeting of Council held on 24 June 2021 be confirmed as a true record of the proceedings.	<b>For information</b>

OCM /SCM Date	Item #	Resolution	Status
8-Jul-21	8.1	1. That the MRC reconfirms its position from the OCM 24.6.2021 in respect of item 14.1 as a full and final offer. 2. Endorses the Chair to accompany the CEO in any further negotiations.	COMPLETED COMPLETED
6-Jul-17	13	That the Chief Executive Officer be requested to conduct a review of the Mindarie Regional Council's (MRC) band classification as determined by the Salaries and Allowances Tribunal (SAT) to ascertain if there is justification for the MRC in making a submission to the SAT to be reclassified from a band 3 Regional Council to a band 2 Regional Council.	OUTSTANDING