



MINUTES

ORDINARY COUNCIL MEETING

TIME: 6.30 PM

27 February 2020

CITY OF JOONDALUP

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



Town of
Cambridge



City of
Joondalup



City of Perth



City of Stirling



VICTORIA PARK



CITY OF VINCENT



City of
Wanneroo

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1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS
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The Chair declared the meeting open at 6.35 pm.

6.35 pm Councillor Kosova left the meeting room.

2 ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE
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Councillor Attendance

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

MRC Officers

Mr G Hoppe (Chief Executive Officer)
Mr A Slater (Director Corporate Services)
Ms S Cherico (Human Resource Manager)
Ms D Toward (Executive Support)

Member Council Observers

Mr N Claassen (City of Joondalup)
Mr C Kopec (City of Perth)
Mr A Murphy (City of Vincent)
Ms Y Plimbley (City of Vincent)
Mr J Wong (Town of Victoria Park)
Mr H Singh (City of Wanneroo)
Mr S Cairns (City of Wanneroo)
Mr M Littleton (City of Stirling)
Mr R Bryant (City of Stirling)

MRC Observers

Ms K Goldsmith
Mr J Shepherd
Ms J Chinnery

3 DECLARATION OF INTERESTS

Interest Type	Financial Interest
Name and Position of Person	Gunther Hoppe, Chief Executive Officer
Report No and Topic	9.7 CEO Attendance at Aora Conference
Name of Interest	Gunther Hoppe is the CEO

Interest Type	Financial Interest
Name and Position of Person	Gunther Hoppe, Chief Executive Officer
Report No and Topic	14.2 CEO Recruitment and performance review committee consideration of committee's recommendations
Name of Interest	Gunther Hoppe is the CEO

4 PUBLIC QUESTION TIME

Nil

5 ANNOUNCEMENTS BY THE PRESIDING PERSON

All Councillors are invited to take part in a visit to key infrastructure sites in the Waste Industry on Friday 6 March 2020. The MRC is encouraging all Councillors, not just MRC Councillors, to make use of this opportunity to gain a better perspective on waste handling in WA and the challenges facing the industry.

All Councillors are invited to a Strategy Information Session at the City of Wanneroo on Saturday 7 March 2020.

6 APPLICATIONS FOR LEAVE OF ABSENCE

None

7 PETITIONS / DEPUTATIONS / PRESENTATIONS

Nil

8	CONFIRMATION OF MINUTES OF PREVIOUS MEETING
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8.1 ORDINARY COUNCIL MEETING – 12 December 2019

The Minutes of the Ordinary Council Meeting held on 12 December 2019 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 12 December 2019 be confirmed as a true record of the proceedings.

Cr Proud moved, Cr Cvitan seconded

RESOLVED

That the recommendation be adopted.

(Carried 10/0)

9.1 CHIEF EXECUTIVE OFFICER REPORTS

9.1	FINANCIAL STATEMENTS FOR THE MONTHS ENDED 30 NOVEMBER 2019 AND 31 DECEMBER 2019
File No:	FIN/5-09
Appendix(s):	Appendix No. 1 Appendix No. 2 Appendix No. 3
Date:	20 JANUARY 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 30 November 2019 and 31 December 2019 and are attached at **Appendix No. 1 and 2** to this Item. The Tonnage Report for the 6 months to 31 December 2019 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 31 December 2019

	Actual	Budget	Variance
	t	t	t
Tonnes – Members	123,764	135,627	(11,863)
Tonnes – Others	6,434	8,443	(2,009)
TOTAL TONNES	130,198	144,070	(13,872)
	\$	\$	\$
Revenue – Members	25,375,706	27,830,849	(2,455,143)
Revenue – Other	2,249,839	2,680,213	(430,374)
TOTAL REVENUE	27,625,545	30,511,062	(2,885,517)
Expenses	28,613,986	28,511,161	(102,825)
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	(822,868)	2,099,781	(2,922,649)

Commentary

Member tonnes for the year to date are 12,281 tonnes behind phased budget, which is mainly City of Joondalup, City of Stirling and City of Wanneroo delivering less waste than what they individually forecasted.

The net result variance against budget of \$2,922,649 is mainly attributable to budgeted tonnage related expenditure.

RRF

The Resource Recovery Facility residue tonnes are above budget by 4,922 tonnes delivering 25,444 tonnes in total to Tamala Park year to date.

Trade & Casual

The Casual and Trade tonnages are 2,009 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 30 November 2019 and 31 December 2019, respectively, are received.

Cr Vernon moved, Cr Newton seconded

RESOLVED

That the recommendation be adopted

(CARRIED 10/0)

6.38pm Cr Kosova re-entered the meeting

9.2	LIST OF PAYMENTS MADE FOR THE MONTHS ENDED 30 NOVEMBER 2019 AND 31 DECEMBER 2019
File No:	FIN/5-09
Appendix(s):	Appendix No. 4 Appendix No. 5
Date:	20 January 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 30 November 2019 and 31 December 2019 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
30 November 2019	General Municipal	Cheques	\$5,895.06
		EFT	\$3,874,731.42
		DP	\$218,718.58
		Inter account transfers	\$7,900,000.00
		Total	\$11,999,345.06
31 December 2019	General Municipal	Cheques	\$24,383.26
		EFT	\$3,056,848.40
		DP	\$201,464.42
		Inter account transfers	\$2,000,000.00
		Total	\$5,282,696.08

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 30 November 2019 and 31 December 2019, be noted.

Cr Sargent moved, Cr Kosova seconded

RESOLVED

That the recommendation be adopted

(Carried unanimously 11/0)

9.3 MID YEAR BUDGET REVIEW – 2019/20	
File No:	FIN/146
Appendix(s):	Appendix 6
Date:	15 January 2020
Responsible Officer:	Director Corporate Services

SUMMARY

The purpose of this report is to describe the financial position and performance of the organisation in relation to the Adopted Budget and recommend changes that will reflect the anticipated outcomes for the remainder of the 2019/20 financial year. This will provide stakeholders with a view of the likely results of the Mindarie Regional Council's (MRC) operations at the conclusion of the financial year.

It is anticipated that the MRC will move from a forecast surplus of \$1,851,407 to a forecast deficit of \$1,902,322, a decrease of \$3,753,729 (*Refer **Appendix 6***). This change is primarily as a result of the effects of decreased members' tonnes to the MRC.

It is anticipated that there will be an overall decrease in tonnes received by the MRC of 18,757 tonnes. The decrease relates mainly to member tonnages equating to 25,342 less tonnes (13.7%). RRF Residues have increased by 8,000 tonnes and trade and casual tonnages decreased by 1,415 tonnes.

No changes to the Members' and Non-members' gate fees are proposed for the 2019/20 financial year.

BACKGROUND

Council at its ordinary council meeting held on 4 July 2019, resolved that council:

- (i) adopt the Budget for the Mindarie Regional Council for 2019/20 financial year
- (ii) endorse the on-going strategy of deferred payment of operational surpluses, as approved by Council at its August 2005 meeting, for the 2005/06 financial year and future years to meet its on-going capital requirements
- (iii) Approve the Capital Budget Program of \$2,602,892 for 2019/20 as follows:

(iv) New capital expenditures

	\$
• Buildings	70,000
• Office furniture and equipment	67,600
• Computer equipment	90,000
• Plant and equipment and vehicles	381,476
• Infrastructure	<u>1,149,816</u>
	1,758,892

Carried forward capital expenditures

• Repl. Toyota Forklift	35,000
• Cardboard compactor project	102,000
• Transfer station extension	200,000
• Recycling centre alignment	160,000
• Leachate treatment project	<u>347,000</u>
	844,000

Total Capital expenditure **2,602,892**

- (v) approve that \$405,771 will be transferred from the Operating Surplus to the Site Rehabilitation Reserve.
- (vi) Approve that \$1,300,000 will be transferred from Retained Earnings to the Site Rehabilitation Reserve
- (vii) approve that \$2,602,892 be transferred from the Reserve for Capital Expenditure to Operating Surplus to fund capital expenditures.
- (viii) Approve that \$250,000 will be transferred Operating surplus to the RRF Maintenance reserve
- (ix) approve that any funds required for carbon abatement projects be transferred from the Carbon Abatement Reserve to the Operating Surplus.
- (x) approve that all interest earned on cash funds associated with cash-backed reserves will not be credited to the respective reserves.

Council operations have been conducted in line with the Adopted Budget for 2019/20.

Monthly Financial Statements on the actual expenditure and variations from the Adopted Budget have been submitted to each Council meeting. In addition, monthly management accounts have been provided to Councillors and Member Council Officers on a regular basis.

In line with sound financial management practice, and in order to comply with Local Government Regulations, a detailed review of the MRC's operations, financial position and financial performance has been carried out as at 31 October 2019.

This reports highlights those items that reflect significant trend variations to budgeted allocations, and the anticipated revised financial projections to 30 June 2020.

The Income Statement reflecting the Adopted Budget, Actual Expenditure to 31 October 2019 and projected expenditure to 30 June 2020, as well as the projected capital expenditure is enclosed as Appendix 4 of this report.

DETAIL

Tonnage variation

The reforecast tonnes are significantly below the originally budgeted tonnage estimates.

The decrease of 25,342 in expected member tonnes relates largely to the Cities of Joondalup, Stirling and Wanneroo as they find alternative solutions for their recyclable waste. This can be seen from the table below.

The increase in expected Residue tonnes of 8,000 is attributable to the lower organic fraction being received at the Resource Recovery Facility (RRF) as Member Councils move to a three bin system.

This decrease in tonnages is the primary driver of the \$3.8 million negative impact on the profit and loss statement.

Tonnes received by the MRC 2019/2020			
	Budget	Reforecast	Variance
Cambridge	5,905	5,905	0
Joondalup	35,669	31,600	(4,069)
Perth	13,000	13,000	0
Stirling	62,826	47,653	(15,173)
Victoria Park	12,250	12,050	(200)
Vincent	13,400	13,400	0
Wanneroo	66,400	60,500	(5,900)
	209,450	184,108	(25,342)
RRF Residue	51,135	59,135	8,000
Non-members	15,800	14,385	(1,415)
	66,935	73,520	6,585
	276,385	257,628	(18,757)

Revenue

Overall revenue is expected to decrease by \$3.8 million (6.8%) from \$59.5million to \$55.7 million. This is almost exclusively as a result of the decrease in tonnes committed by the member councils of the MRC.

Operating Expenditure

Operating expenditures have remained consistent; Adopted budget reported \$57.8m and Mid-Year Budget reporting \$57.7m. Changes across the expenditure categories are listed below:

Expenditure Type	Adopted Budget	Mid-Year Budget	Variance	Comments
	\$000	\$000	\$000	
				Contractor positions re allocated to substantive positions
Employee Costs	5,457	5,707	250	
Materials and Contracts	5,365	5,636	271	
				\$000
				MAR Works 300
				Plant and machinery operating costs 143
				Financial IT System 15
				Recycling costs (batteries, Tyres) 50
				Other 14
				Total new expenditure 522
				Reallocated contractor fees -251
				Total Variance 271
RRF Other Operational Expenses	30,323	30,502	179	Waste Diversion contracted at 43.3%
DWER Landfill Levy	11,037	9,751	(1,286)	Reduction in tonnages
				Reduction in tonnages abated by rise in depreciation due to
Amortisation, Depreciation	4,394	4,917	523	external revaluations
Other Expenses	1,225	1,231	6	Administration expenses
Total Expenditures	57,802	57,744	(58)	

Forecast capital expenditure for the year has reduced by \$250k from the budget. There have been a number of changes which are listed below:

- Re-allocation of \$340k to operating expenditure to fund the Mandatory Audit Report Recommendations items
- The implementation of Financial Systems package \$80k
- Storage Area Network (SAN) Upgrades \$46k
- Re-allocation Recycling alignment to Landfill access ramp \$30k
- Savings on purchase of Fire Ute \$41k
- Forklift added safety features \$10k

CONSULTATION

Consultation occurred with Member Councils in relation to their forecast tonnes for the remainder of the 2019/20 financial year.

STATUTORY ENVIRONMENT

The half yearly budget review was carried out in accordance with the provision of the Local Government Act and Regulations.

STRATEGIC/COMMUNITY AND CORPORATE/BUSINESS PLAN IMPLICATIONS

The revised half yearly budget review presented for approval is consistent with the objectives and actions outlined in the MRC's Community Strategic Plan, Financial Plan and Asset Management Plan.

FINANCIAL IMPLICATIONS

As outlined above, no changes to the Members' and Non-members' gate fees are proposed for the 19/20 financial year.

The MRC will move from a forecast surplus of \$1,851,407 to a forecast deficit of \$1,902,322, a decrease of \$3,753,729. This change is primarily as a result of the effects of decreased member's tonnes to the MRC.

The savings of \$1.2m Landfill Levy has been re allocated to fund the RRF Waste Diversion expenditure and to fund the Mandatory Audit Report (MAR) Recommendation works.

The MAR has been requested by DWER in line with the Tamala Park site's reclassification from a status "Possibly contaminated – further investigation required" to "Contaminated".

The MRC proposes that the estimated \$1.9 million deficit will be funded by the Participants' Surplus Reserve, which has a balance of \$2m.

COMMENT

The budget revision reflects the efforts being made on the part of the MRC's member councils to improve the efficiency and diversion results of their individual waste collection system.

As member councils and the MRC itself increase their efforts to improve diversion of waste from landfill, the residual cost per tonne to operate the Tamala Park landfill site and the RRF contract will continue to increase.

VOTING REQUIREMENT

Absolute Majority

RESPONSIBLE OFFICER RECOMMENDATION

That Council:

1. Approve the forecast deficit position estimated to be \$1,902,322 at 30 June 2020, which includes the following:
 - A net estimated decrease in total user charges of \$3,824,175;
 - A net estimated decrease in total other charges of approximately \$7,673;
 - A net estimated decrease in expenditures of \$57,684;
 - A net estimated increase in the profit on sale of assets of \$20,435;
 - Capex expenses re-allocated as contained in the report; and
 - A net estimated decrease in capital expenditures of \$250,296.
2. Approve that the Participants' Surplus Reserve to be used to fund the deficit.

Cr Proud moved, Cr Cole seconded

RESOLVED

That the recommendation be adopted

(Carried unanimously 11/0)

9.4		OFFICE OF THE AUDITOR GENERAL GUIDANCE WITH REGARD TO MRC AUDIT COMMITTEE MINUTES
File No:		COR/22-09
Appendix(s):		Appendix 7
Date:		3 February 2020
Responsible Officer:		Chief Executive Officer

SUMMARY

This report provides advice sought from the Office of the Auditor General (OAG) with respect to guidance obtained as to the status of all previous Audit Committee meeting minutes of the Mindarie Regional Council (MRC) Audit Committee.

BACKGROUND

At the Ordinary Council Meeting (OCM) held on 12 December 2019, Council carried a Notice of Motion as follows:

That Council:

Requests the CEO to write to the Office of the Auditor General to obtain guidance as to the status of all previous Audit Committee meeting minutes, which were contained in previous Member Information Bulletins for noting, and seeks guidance as to whether they should be brought to the next Ordinary meeting of Council for endorsement.

DETAIL

The MRC contacted the OAG to seek guidance as to the status of all previous Audit Committee meeting minutes and with regard to whether they should be brought to the next Ordinary meeting of Council for endorsement. The letter to OAG and the response received can be found at **Appendix 7** to this item.

The OAG is of the view that it is not common practice to submit minutes (draft or confirmed) to Council, but that preparation of a report to Council by the Audit Committee is common practice.

The initial response was silent on the specific matter of how the historical minutes should be dealt with. A follow up email was sent to the OAG and subsequently forwarded to the Department of Local Government, Sport and Cultural Industries (DLGSC).

The response received from DLGSC, attached as **Appendix 7** noted that there is no requirement under the Local Government Act 1995 to submit audit committee meeting minutes to Council, but confirmed that the MRC's current practice could be considered to be consistent with good governance/best practice.

The response further outlines, that if the minutes were submitted as a separate report to Council, the appropriate action would be for Council to receive the report, rather than to endorse the minutes in any manner, as that is the function of the Audit Committee itself.

Both agencies confirm as appropriate, the MRC's current practice of tabling any recommendations of the Audit Committee requiring Council approval as separate items at the next OCM.

CONSULTATION

The MRC has approached both the Office of the Auditor General and the Department of Local Government, Sport and Cultural Industries for advice on this matter. Their responses are included at **Appendix 7**

POLICY IMPLICATIONS

Nil

STATUTORY

Under the *Local Government Act 1995* the Audit Committee is required to submit its meeting minutes to the next ordinary meeting of the Audit Committee for confirmation (section 5.22), as follows.

5.22.Minutes of council and committee meetings

- (1) The person presiding at a meeting of a council or a committee is to cause minutes to be kept of the meeting's proceedings.*
- (2) The minutes of a meeting of a council or a committee are to be submitted to the next ordinary meeting of the council or the committee, as the case requires, for confirmation.*
- (3) The person presiding at the meeting at which the minutes are confirmed is to sign the minutes and certify the confirmation.*

STRATEGIC IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

COMMENT

Based on the advice received from the OAG and DLGSC:

- it does not appear that any action is required in respect of historical audit committee meeting minutes, and
- that the current practice of providing the minutes to Council by means of the MIB can be considered to be consistent with good governance/best practice, although there is no requirement to submit audit committee meeting minutes to Council under the Local Government Act 1995.

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That Council note the responses received from the Office of the Auditor General from the Department of Local Government, Sport and Cultural Industries respectively.

Cr Kosova moved, Cr Cvitan seconded

AMENDED MOTION

That Council note the responses received from the Office of the Auditor General and from the Department of Local Government, Sport and Cultural Industries respectively.

(CARRIED UNANIMOUSLY 11/0)

9.5 ADOPTION OF 2019 ANNUAL COMPLIANCE RETURN	
File No:	COR/12-10
Appendix(s):	Appendix 8
Date:	06 February 2020
Responsible Officer:	Chief Executive Officer

SUMMARY

The purpose of this report is to provide Council with information on the completed Compliance Audit Return (1 January 2019 – 31 December 2019).

BACKGROUND

The 2019 Local Government Compliance Audit Return (CAR) covers the calendar year from 1 January to 31 December 2019.

The 2019 Compliance Audit Return is mandatory pursuant to the *Local Government (Audit) Regulations 1996* which requires all local governments to complete a Compliance Audit Return annually.

Local governments not only have to explain or qualify cases of non-compliance, but also provide details of any remedial action taken or proposed to be taken in regard to instances of non-compliance. The Administration has completed the Return.

The Return was placed on the agenda for the Audit Committee meeting on 30 January 2020 for consideration. The Return must be lodged with the Department of Local Government before 31 March 2020.

DETAIL

The Compliance Audit covers a range of matters that require specific actions to be completed by Local Government authorities in performing their functions.

The Compliance Audit Return requires the responsible officer to indicate against each item whether the required action is relevant to Mindarie Regional Council (MRC) and if it has been completed by either answering;

- (a) Yes; or
- (b) No; or
- (c) N/A – Not applicable

Local Governments are required to provide feedback or comments on areas of non-compliance. This assists the Department of Local Government to have a better understanding of any problems or issues relating to a Local Government's inability to achieve full compliance in a particular area.

The following table summarises the MRC's performance in each of the relevant categories and a comparison with the 2018 Return is also provided.

The Compliance Audit Return for calendar year 2019 is at **Appendix 8**.

Table of CAR Comparison & Compliance

Category	2019 Audit Questions	Compliant	2018 Audit Questions	Compliant
Commercial Enterprises by Local Governments	5	100%	5	100%
Delegation of Power / Duty	13	100%	13	100%
Disclosure of Interest	19	100%	16	93.75%
Disposal of Property	2	100%	2	100%
Finance	14	100%	16	100%
Integrated Planning and Reporting	7	100%	7	100%
Local Government Employees	5	100%	5	100%
Official Conduct	6	100%	6	100%
Optional Questions	4	100%	-	-
Tenders for Providing Goods and Services	27	100%	25	100%
TOTAL	102	100%	95	93.91%

The Local Government is to submit the Compliance Audit Return to its Audit Committee for consideration so that it has the opportunity to examine the Return and report to council the results of that review.

A joint certification is also required to be completed by the Chairperson and Chief Executive Officer to the effect that the information contained in the Return is true and correct to the best of their knowledge. Several other requirements must be met in the Return process and these include: -

- The particulars of all matters of concern raised by Council should be recorded in the minutes of the meeting and a copy of the relevant page(s) attached to the Compliance Audit Return as an appendix; and
- The completed Compliance Audit Return and appendices should be forwarded to the Director General of the Department of Local Government by 31 March 2020.

The Section dealing with the Joint Certification by the Chairperson and Chief Executive Officer requires inter alia that:

- each Councillor has had the opportunity to review the return and to make comment to the Council;
- particulars of any matters of concern relating to the return have been recorded in the minutes of the meeting; and
- a true and correct copy of the relevant sections of the minutes covering Council's consideration of the return must be attached to it.

The Audit Committee, at its meeting on 30 January 2020, considered the Return and resolved the following:

“That the Audit Committee recommends that Council endorse the Compliance Audit Return for the 2019 calendar year, as presented, subject to the following;

- 1. Correction of grammatical errors*
- 2. Clarification to the requirements of item 1 regarding S.3.57 Reg 11.*

Procurement of insurance services

In respect of the answer ‘Yes’ to item 1 regarding S.3.57 Reg 11, a question was raised by the Audit Committee as to whether it was valid for the MRC to answer this question in the affirmative where the MRC had not gone to public tender for the insurance services it procured from the Local Government Insurance Scheme (LGIS), which were in excess of \$150,000.

This is likely to pose a similar question for most local governments who make use of LGIS’ services.

The view of WALGA’s governance department was that as LGIS is owned by WALGA and its Member Local Governments, S.3.57 of the Local Government Act 1995 does not apply as the MRC is not procuring goods or services from “another person”. Rather the services are provided to the MRC as owners of the mutual benefit scheme.

Further, S.5.49(2) of the LG Act specifies that WALGA must establish and manage, for the benefit of WALGA and eligible bodies (member LGs) a group self-insurance arrangement against liability to pay compensation under the Workers’ Compensation and Injury Management Act. This aspect of the LGIS insurances is therefore mandated by law.

Based on the above, the Administration have left the response to this question as being affirmative, but have added an explanatory note explaining the position with regard to the LGIS insurance services.

The MRC has not taken specific legal advice on this matter.

CONSULTATION

The Compliance Audit Return has been discussed with and reviewed by the Audit Committee.

The matter of the procurement of insurance services has been discussed with the governance officers of WALGA.

STATUTORY ENVIRONMENT

Regional Councils are required to carry out a Return in accordance with the Local Government (Audit) Regulations 1996. The requirements set for the Return are contained in s.14 and 15 of the Regulations, which read as follows:

“14. Compliance audits by local governments

- (1) *A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.*
- (2) *After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.*
- (3A) *The local government’s audit committee is to review the compliance audit return and is to report to the council the results of that review.*
- (3) *After the audit committee has reported to the council under sub regulation (3A), the compliance audit return is to be —*
 - (a) *presented to the council at a meeting of the council; and*
 - (b) *adopted by the council; and*
 - (c) *recorded in the minutes of the meeting at which it is adopted.*

15. Certified copy of compliance audit return and other documents to be given to Departmental CEO

- (1) *After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with —*
 - (a) *a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and*
 - (b) *any additional information explaining or qualifying the compliance audit,*

is to be submitted to the Departmental CEO by 31 March next following the period to which the return relates.
- (2) *In this regulation —*

certified *in relation to a compliance audit return means signed by —*

 - (a) *the mayor or president; and*
 - (b) *the CEO.”*

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

COMMENT

In order to comply with Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996* it is necessary for the MRC to complete the Local Government Compliance Audit Return in the form approved by the Minister.

The results contained in the Compliance Audit Return required by the Department of Local Government for the period 1 January to 31 December 2019 indicates that the Council is continuing to operate within the Local Government Legislative requirements.

The Audit Committee, at its meeting held on 30 January 2020, recommended that the Council adopts the Compliance Audit Return, subject to grammatical corrections and clarification of the requirements of item 1 regarding S.3.57 Reg 11.

The grammatical errors have been corrected in Return presented in Appendix 8.

The Administration's response to the question raised regarding item 1 regarding S.3.57 Reg 11 have been addressed in the body of the report. In response to the wider issue of the procurement of insurance services, the MRC intends to conduct a market sounding before its next insurance renewals.

It is recommended that the Return be adopted by the Council, certified by the Chairperson and Chief Executive Officer and be forwarded to the Director General, Department of Local Government by 31 March 2020.

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That Council:

1. adopt the Local Government Compliance Audit Return in the form approved by the Minister for the period 1 January to 31 December 2019 as contained in Appendix 8 in accordance with the provisions of *Regulation 14(3) of the Local Government (Audit) Regulations 1996* and in line with the recommendation from the Audit Committee;
2. authorise the Chairperson and the Chief Executive Officer to complete the Joint Certification contained in the adopted Return detailed in 1. above; and
3. authorise the Chief Executive Officer to submit the adopted Return detailed in 1. to the Director General, Department of Local Government by 31 March 2020.

6.47 pm Cr Shannon entered the meeting room

Cr Kosova moved, Cr Proud seconded
RESOLVED

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

9.6	RESPONSE TO LOCAL RECYCLING INDUSTRY CHALLENGES
File No:	FIN/97-09
Appendix(s):	nil
Date:	6 February 2020
Responsible Officer:	Chief Executive Officer

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 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.

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

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.

Cr Cole moved, Cr Vernon seconded

PROCEDURAL MOTION

Cr Proud moved, Cr Ferrante seconded

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.

MOTION CARRIED 10/2

For: Boothman, Jacob, Fishwick, Kosova, Proud, Ferrante, Sargent, Cole, Shannon, Vernon

Against: Newton, Cvitan

9.7	CEO ATTENDANCE AT AORA CONFERENCE
File No:	COR/15
Appendix(s):	Appendix 9
Date:	10 February 2020
Responsible Officer:	Human Resource Officer

SUMMARY

This report seeks Council's approval for the Mindarie Regional Council's (MRC) Chief Executive Officer (CEO) to attend the Australian Organics Recycling Association (AORA) 2020 Annual Conference.

BACKGROUND

The AORA conference is held annually, rotating the location around Australia. This year's conference will be held in Lovedale, NSW from 2 - 3 April 2020.

This conference is known to be the principal conference in Australia for the recycled organics industry.

This year's conference program with the theme "Pathways to Sustainable Growth", is considered through three major segments:

- The vision and long range strategy for the industry;
- Methods to engage the community in improved outcomes; and
- The continued effort to build best practices and a knowledge base around effective and profitable organics recycling.

A copy of the conference program is included at Appendix 9

DETAIL

The conference is relevant given the State Waste Strategy move toward FOGO (Food Organics Garden Organics) and the impact this will have on the MRC and its member councils. The conference will provide the CEO with the opportunity to gain exposure to contemporary developments in the waste industry and to meet with industry leaders.

The cost of attending the conference is estimated to be \$4,000, which includes flights, airport transfers, accommodation, meals and the conference registration fees.

CONSULTATION

Nil

STATUTORY COMPLIANCE

Nil

POLICY IMPLICATIONS

Employee attendance at conferences is governed by Council Policy CP04, included at Appendix 9

FINANCIAL IMPLICATIONS

The estimated cost for the CEO to attend the conference is \$4,000, which includes flights, airport transfers, accommodation, meals and the conference registration fee.

The MRC's Budget for 2019/20 makes provision for the expense.

STRATEGIC IMPLICATIONS

N/A

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That Council:

Approves the Chief Executive Officer's attendance at the AORA Conference in April 2020, with the costs paid from funds already provided for in the 2019/20 budget.

Cr Vernon moved, Cr Jacob seconded

RESOLVED

That the recommendation be adopted

(CARRIED UNANIMOUSLY 12/0)

10 MEMBERS INFORMATION BULLETIN – ISSUE NO. 52

RESPONSIBLE OFFICER RECOMMENDATION

That the Members Information Bulletin Issue No. 52 be received.

Cr Cvitan moved, seconded Cr Vernon
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

The Chair requested that in accordance with 7.9 of the Mindarie Regional Council Standing Orders Local Law 2010 and s5.23(2) of the Local Government Act 1195, Council proceed to meet "behind closed doors to allow the Council to consider items 14.1 and 14.2 as the items are of a confidential nature.

The Chair invited Officers in the gallery to remain for item 14.1 Tamala Park Site.

Cr Boothman moved, seconded Cr Proud

RESOLVED

To close the meeting to the public

(CARRIED UNANIMOUSLY 12/0)

Officers remained in the gallery, as there were no members of public present no one left the meeting room.

Note: the Chief Executive Officer did not release the report for item 14.1 for public information.

This report is Confidential in accordance with Section 5.23 (2) (d) of the <i>Local Government Act 1995</i>	
14.1	TAMALA PARK SITE
File No:	COR/26-02
Attachments(s):	Attachment 1 – Mandatory Auditors Report Attachment 2 – Confidential Summary
Date:	14 February 2020
Responsible Officer:	Chief Executive Officer

RESPONSIBLE OFFICER RECOMMENDATION

That the Council:

1. Note the receipt of the Mandatory Audit Report (MAR) by the MRC and the recommendations contained therein
2. Endorse the MRC's proposed responses to the recommendation of the MAR.

Moved Cr Jacob, seconded Cr Newton

RESOLVED

That the recommendation be adopted

(CARRIED UNANIMOUSLY 12/0)

This report is Confidential in accordance with Section 5.23 (2)(a) of the <i>Local Government Act 1995</i>	
14.2	CEO RECRUITMENT AND PERFORMANCE REVIEW COMMITTEE CONSIDERATION OF COMMITTEE'S RECOMMENDATIONS
File No:	PER/96
Attachments(s):	1. Summary Committee report to Council – CEO Performance Review 2. Report to inform the annual CEO Remuneration Review 2019 3. CEO KPIs 2020
Date:	14 JANUARY 2020
Responsible Officer:	Human Resource Officer

Note: the Chief Executive Officer did not release the report for item 14.2 for public information.

Doors closed at 7.28 pm and members of the gallery vacated the meeting room.
MRC Officers Ms Cherico and Ms Toward remained in the meeting room.

RESPONSIBLE COMMITTEE RECOMMENDATION:

That Council:

1. Notes that the CEO's performance appraisal has been undertaken covering the period 6 September 2018 to 5 September 2019.
2. Endorses the Committee's performance appraisal of 'Meets Expectations' and thanks Mr Hoppe for his efforts.
3. Approves an increase to Mr Hoppe's base salary within the range of 1.0% to 1.3%, effective from 6 September 2019.
4. Endorses that the CEO explore options to gain professional development and exposure to contemporary developments in the waste industry in line with the terms of his employment contract.
5. Approves the CEO's Performance Criteria for the 2019 - 2020 period, as per *Attachment 3*.

Cr Proud moved, seconded Cr Sargent

AMENDED MOTION:

1. Notes that the CEO's performance appraisal has been undertaken covering the period 6 September 2018 to 5 September 2019.
2. Endorses the Committee's performance appraisal of 'Meets Expectations' and thanks Mr Hoppe for his efforts.
3. Approves an increase to Mr Hoppe's base salary of 1.3%, effective from 6 September 2019.
4. Endorses that the CEO explore options to gain professional development and exposure to contemporary developments in the waste industry in line with the terms of his employment contract.
5. Approves the CEO's Performance Criteria for the 2019 - 2020 period, as per *Attachment 3*.

(CARRIED 11/1)

For: Crs Boothman, Jacob, Fishwick, Proud, Sargent, Ferrante, Cvitan, Newton, Cole, Kosova, Vernon
Against: Cr Shannon

Cr Proud moved, seconded Cr Cvitan

RESOLVED

To re-open the meeting to the public

(CARRIED UNANIMOUSLY 12/0)

Doors were reopened to the public at 7.46 pm.

The Chair announced that the Councillors had met behind closed doors and read out the resolution to items 14.1 and 14.2.

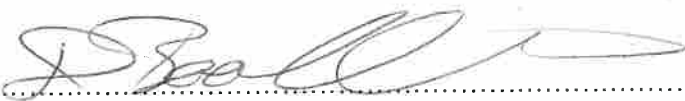
15	NEXT MEETING
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Next meeting to be held on Thursday 23 April 2020 in the Council Chambers at the City of Wanneroo commencing at 6.30 pm.

16	CLOSURE
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The Chair closed the meeting at 7.50 pm and thanked the City of Joondalup for their hospitality and use of their meeting rooms.

These minutes were confirmed by the Council as a true and accurate record of the Ordinary Meeting of Council held on 27 February 2020.

Signed  Chair

Dated *23rd* day of *April* 2020
