



AGENDA

ORDINARY COUNCIL MEETING

TIME: 5.30PM

7 MARCH 2013

CITY OF JOONDALUP

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**

16 February 2013

Councillors of the Mindarie Regional Local Government are advised that an Ordinary Meeting of the Council will be held in the Conference Room 1 of the City of Joondalup, Boas Avenue, Joondalup, at 5.30pm on Thursday 7 March 2013.

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

NB: Although some Councils have nominated alternate members, it is a requirement that a Council carries a specific resolution for each occasion that the alternate member is to act.

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 – 6 December 2012	4
9	CHIEF EXECUTIVE OFFICER REPORTS	5
	9.1 Tipface Resource Recovery Trial.....	5
	9.2 Request for Sporting Sponsorship	9
	9.3 City of Stirling Withdrawal	10
	9.4 Mindarie Regional Council Waste Facility Site Amendment Local Law 2013	13
	9.5 Mindarie Regional Council Standing Orders Amendment Local Law 2013.....	18
	9.6 List of Payments made for the months ended 30 November 2012	22
	and 31 December 2012.....	22
	9.7 Financial Statements for the periods ended 30 November 2012	23
	And 31 December 2012	23
	9.8 Mid Year Budget Review 2012/2013.....	25
	9.9 Adoption of 2012 Annual Compliance Return	32
10	MEMBERS INFORMATION BULLETIN – ISSUE NO. 9	34
11	MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN	34
12	URGENT BUSINESS.....	34
13	QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN	34
14	MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC.....	34
15	NEXT MEETING	34
16	CLOSURE	34

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 – 6 DECEMBER 2012

The Minutes of the Ordinary Council Meeting held on 6 December 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 6 December 2012 be confirmed as a true record of the proceedings.

9 CHIEF EXECUTIVE OFFICER REPORTS	
9.1 TIPFACE RESOURCE RECOVERY TRIAL	
File No:	COR/48
Appendix(s):	Nil
Date:	14 February 2012
Responsible Officer:	Mike Myring, Site Supervisor

SUMMARY

The purpose of this report is to:

1. Provide details on the Tipface Resource Recovery Trial conducted at Tamala Park from October – December 2012;
2. Seek consideration of extending the trial to financial year end;
3. Consider continuing on with the project on a permanent basis; and
4. Request the member councils' support to have the project funded on a permanent basis from the Waste Authority's Regional Funding Program.

BACKGROUND

Currently kerbside pick-ups are disposed of in landfill. In October 2012 a trial was initiated to recover recyclables from the tipface, which has been very successful. The cost of the trial totalled \$64,348 including the hiring of the plant (\$34,641), fuel costs (\$5,755) and recovering 1,450 mattresses at a disposal cost of (\$23,952). These costs were offset by revenue from the sale of the steel recovered totalling \$36,255 (212 tonnes) and through recovering \$6,342 of the landfill levy placed on waste to landfill by the State Government. The net cost of the project was \$21,751, which has been funded from the current budget.

In addition to this, the reduction in airspace consumed of 868m³ is valued at approximately \$73,780, although this benefit will only be realised towards the end of the landfill's life.

The initial scheme was intended to recover bulky items like scrap metal, mattresses, timber, toys and e-waste from the landfill, however the volume of metal and mattresses alone being salvaged has meant that there has not been enough resources to recover any other recyclable items.

The trial to the 30 December 2012 has recovered 37 tonnes (1,450 mattresses) and 212 tonnes of scrap metal.

The tables below detail the costs associated with running the trial for the three month period to December 2012 and the savings in air space.

COST OF TRIAL TO DECEMBER 2012	
Expense Cost/Savings type	(\$)
Plant Hire Cost	(34,641)
Fuel Cost	(5,755)
Mattress Disposal Cost (1450 off)	(23,952)
Total Cost	(\$64,348)
Savings	
Proceeds from Sale of Steel	36,255
DEP Levy Saving (Mattresses and Steel)	6,342
Total Savings	42,597
*TOTAL COST OF TRIAL	(\$21,751)

*Excludes savings in air space (868m3 at \$85 per m3 = \$73,780)

The trial of the scheme was presented to the Strategic Working Group where discussions ensued in relation to having the scheme funded through the Waste Authority via its Regional Funding Program. The Waste Authority recently informed the MRC that the project previously submitted to undertake a Waste Audit was unsuccessful. General support was provided to this request and the MRC has sent correspondence to the member councils seeking formal support prior to completing the program application and to reduce the lag time in gaining the necessary approvals if the council resolves to support making the scheme permanent.

DETAIL

The trial has provided many benefits to the MRC. Reducing waste to landfill, incentivising the employees to operate in accordance with MRC's objectives and allowing them to take responsibility for the project and improving moral. Given the benefits the trial has continued into 2013 and \$49,900 has been sought in the half yearly budget review to continue the trial through to the end of the financial year.

If the scheme continues to be successful consideration must be made to making it permanent. Additional resources will be required to support the trial if it was made permanent, which would include the purchasing of an excavator (cost table below includes purchase), another two hooklift bins and employing an additional plant operator. Operating on a permanent basis would allow the tipface operations team to recover even more recyclables from the tipface. The table below indicates the cost of running the scheme annually.

COST TO OPERATE PROJECT FOR A FULL YEAR	
Expense Cost/Savings type	(\$)
Plant Purchase Cost	(187,000)
Fuel Cost	(27,908)
Mattress Disposal Cost	(102,056)
Full Time Operator Cost	(70,000)
Hooklift Bins (2 off)	(14,500)
Total Cost	(\$401,464)
Savings	
Proceeds from Sale of Steel	145,020
DEP Levy Saving (Mattresses and Steel)	25,368
Total Savings	170,388
*TOTAL COST OF TRIAL	(\$231,076)

*Excludes Savings in Air Space as these savings are not realised until the end of life of landfill. However based on this year's rates the anticipated savings would be (3,500m³ at \$85 per m³ = \$297,500)

While the program would operate at a cash loss of \$231,076 annually it supports the MRC's overall strategic objective to minimise the amount of waste going to landfill and will extend the life of the landfill or alternatively, allow the landfill site to be used more intensively, both of which have significant long term benefits to the MRC.

Based on the pilot project, it is likely that the MRC's waste diversion rate would be improved by 0.5%. As a result, an opportunity may exist to have this trial project funded on a permanent basis by the Waste Authority via its Regional Funding Program if the member councils were supportive of the project. This would allow the significant capital cost of the project to be covered with the MRC covering the projects operational costs.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The trial to December 2012 has been funded from the 2012/13 Budget. However if the trial is to continue to the end of the financial year then a further \$49,900 is required, which cannot be funded from the current budget. A further report later in the agenda on the half yearly Budget review has included the amount required to continue the trial to the financial year end.

STRATEGIC IMPLICATIONS

The scheme is directly in line with the objectives of the MRC in reducing the amount of waste going to landfill.

COMMENT

The trial project has been extremely successful in reducing the amount of waste to landfill and as such it is proposed to seek council's endorsement to continue with the project for the rest of the financial year at a cost of \$49,900 and discuss making the project permanent at the budget workshops. There is an opportunity to obtain funding for the project through the Waste Authority's Regional Funding Program. This funding opportunity has been discussed with the member councils through the Strategic Working Group where it received support.

VOTING REQUIREMENT

Absolute Majority

RESPONSIBLE OFFICER RECOMMENDATION

That Council:

1. **Acknowledge the success of the trial of recovering waste from the tip face as detailed in this report;**

- 2. Approve the allocation of \$49,900 to fund the continuation of the trial to the end of the 2012/13 financial year;**
 - 3. Approve the allocation of \$49,900 detailed in (2) above to be funded in the 2012/13 half yearly budget review;
(Absolute Majority Required)**
 - 4. Consider in the formulation of the 2013/14 budget allocating the necessary funds to make the project permanent; and**
 - 5. Endorse the principle of the project being funded from the Waste Authority's Regional Funding Program and encourage the member councils' to support the application for funding to the Waste Authority.**
-

9.2	REQUEST FOR SPORTING SPONSORSHIP
File No:	CMR/1-03
Appendix(s):	Appendix No. 1
Date:	13 February 2013
Responsible Officer:	Gunther Hoppe, Director Corporate Services

BACKGROUND

The Mindarie Regional Council (MRC) has received a request from an employee for an individual sports sponsorship, which is attached at **Appendix No. 1**.

DETAILS

Ms Cunningham has been employed by the MRC since March 2012. She is an active in-line speed skating competitor, who has represented WA at the recent National In-line Speed Skating Championships, taking gold in each of the 11 events in which she competed.

She will now be representing Australia at the Oceania Asia Pacific In-line Speed Skating Championships in Brisbane and is requesting a partial sponsorship of her costs by the MRC, totalling \$1,500. This will largely cover her flight and accommodation expenses.

This sponsorship would show our support and commitment towards a staff member who has shown excellence in her chosen sport and who is now competing in the Australian national team. In addition, it also provides the MRC with the opportunity for some marketing and publicity exposure.

FINANCIAL IMPLICATIONS

The cost to the MRC will be \$1,500 which will be covered by the half yearly budget review.

STRATEGIC IMPLICATIONS

The recognition and support of a staff member's notable achievements is consistent with the MRC's overall strategy in that it serves to promote a performance culture in the business, even if in this instance it doesn't relate directly to a work activity, and it serves to improve staff engagement.

COMMENT

Nil

VOTING REQUIREMENT

Absolute Majority

RESPONSIBLE OFFICER RECOMMENDATION

That Council approve the sponsorship of Ms Cunningham's participation in the Oceania Asia Pacific In-line Speed Skating Championships by the MRC to the value of \$1,500.

(Absolute Majority Required)

9.3	CITY OF STIRLING WITHDRAWAL
File No:	LEG/14-02
Appendix(s):	Appendix No. 2
Date:	11 February 2013
Responsible Officer:	Brian Callander, CEO

SUMMARY

Determine the next steps on the City of Stirling (Stirling) withdrawal from the Mindarie Regional Council (MRC) now that the Minister for Local Government has responded to MRC's submission.

BACKGROUND

The withdrawal of Stirling has been ongoing since 2010 with numerous reports being presented to Council as the withdrawal process evolved. The last report to Council was at its meeting held on 6 December 2012 where an alternative valuation methodology prepared by Deloitte was presented along with a draft submission to the Minister detailing MRC's position on the withdrawal. At this meeting the Council, inter alia, resolved:

"That:

- 1. The report entitled "Valuation of the City of Stirling's Interest in the Mindarie Regional Council" dated 23 October 2012 as prepared by Deloitte and presented in attachment 1 be endorsed.*
- 2. The report detailed in (1) above be used as the basis for determining the adjustment of assets and liabilities for the withdrawal of the City of Stirling in accordance with s.699 (3) (a) of the Local Government Act 1960 as follows:*
 - a. The City of Stirling be provided the Adjusted Value of \$754,500 minus \$302,000 being the City of Stirling's proportionate share of the insurance cover required to address MRC's lease obligations for environmental liability. Total payment to the City of Stirling being \$452,500.*
- 3. The City of Stirling retains:*
 - a. Its liability under the Resource Recovery Facility Deed of Guarantee;*
 - b. Its ownership share in the land at Tamala Park Landfill Site; and*
 - c. Its equity share (one third) in the land (lot 805 Pederick Street) owned by the Mindarie Regional Council and currently partially leased to BioVision for the operations of a Resource Recovery Facility. The equity share of the land will only be realised by the City of Stirling when the Mindarie Regional Council at its sole discretion decides to sell the land or if/when Mindarie Regional Council is wound up."*

D. The Mindarie Regional Council endorses the submission, and its release, to the Minister for Local Government, as presented in attachment 2.

The submission, which included Council's resolution above was finalised and sent to the Minister on 7 December 2012.

DETAIL

On 5 February 2013 correspondence was received from the Minister (**Appendix No. 2**) confirming receipt of MRC's submission on 7 December 2012 and stating, Inter alia, the following:-

“Having given the matter careful consideration, I have come to the view that it would not be appropriate for me to intervene in a matter involving such complexities. Furthermore, the constitution agreement of the MRC does not contemplate any role for me to act as arbitrator in determining such matters. Rather, it is for the parties to reach agreement on the settlement required to enable the withdrawal of any member of the MRC and to then seek my approval of such an agreement.”

The Ministers letter goes on to discuss the Final Report of the Metropolitan Local Government Review Panel indicating that he’s mindful of the report’s findings in relation to the responsibilities for waste management across the metropolitan area, and to strongly suggest that the parties reconsider the proposed withdrawal of the Stirling as part of these discussions. The key recommendations contained in the Metropolitan Local Government Review (Final Report) in relation to waste management across the metropolitan area are as follows:

“Executive Summary

The Panel examined if some local government functions could be managed from a metropolitan-wide perspective. For example, many respondents agreed that waste management would have improved co-ordination if it was the State’s responsibility. The Panel agrees and recommends that the State Government take over the role of waste management.

Recommendations:

- 6. The State Government consider the management of waste treatment and disposal at a metropolitan-wide scale either be undertaken by a State authority or through a partnership with local government.*

- 11. The existing Regional Local Governments in the metropolitan area be dissolved, their provisions in the Local Government Act 1995 be repealed for the metropolitan area and a transitional plan for dissolving the existing bodies in the metropolitan area be developed.”*

It is difficult for local government or regional councils to take any position based on the Final Report as it has no standing in the current Government apart from having Cabinet approval for its release for public consultation until early April.

Notwithstanding this it is important that we enter into discussions with Stirling to determine if agreement can be reached on the next step in the process. The following scenarios detail the options available for negotiation:

Scenario 1

The MRC requests Stirling to consider Deloitte’s valuation as the basis for adjusting MRC’s assets and liabilities (settlement) as required by s.699 of the *Local Government Act 1960*. Any such agreement would need to be conditional upon the value of the settlement being deducted from any further settlement that may be provided if, or when, the State Government abolishes or amends the boundaries of the MRC.

Scenario 2

The MRC holds off any further negotiations/discussions with Stirling until after the State Government has taken a position on the Metropolitan Local Government Review (Final Report).

Scenario 3

The MRC enter into discussions with Stirling to retain them as members of the MRC.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

COMMENT

The Minister's decision not to intervene and request of the parties to continue negotiations to facilitate a solution for Stirling to remain in the MRC is disappointing. However it is important that the MRC, and Stirling for that matter, are clear on the required next steps. As such it is recommended that the council authorise its Chairperson and Chief Executive Officer to enter into discussions with the Mayor and Chief Executive Officer of Stirling to determine if there is any preference/agreement to pursue one or more of the scenarios.

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That Council:

1. Authorise the Chairperson and the Chief Executive Officer of the Mindarie Regional Council to enter into discussions with the Mayor and Chief Executive Officer of the City of Stirling to determine if there is any preference/agreement to pursue one or more of the scenarios.
 2. Receive a further report from the Chief Executive Officer detailing the outcomes of the discussions detailed in (1) above and providing recommendations on the most appropriate actions to resolve the issue.
-

9.4	MINDARIE REGIONAL COUNCIL WASTE FACILITY SITE AMENDMENT LOCAL LAW 2013
File No:	LAW/5
Appendix(s):	Appendix No. 3
Date:	5 February 2013
Responsible Officer:	Brian Callander, CEO

SUMMARY

Seeking Council's approval to make the Mindarie Regional Council's Waste Facility Site Amendment Local Law 2013.

BACKGROUND

The Joint Standing Committee on Delegated Legislation (the Committee) has reviewed the Mindarie Regional Council Waste Facility Site Local Law (Principal Local Law) and has written to the Mindarie Regional Council (MRC) recommending a number of minor changes be addressed in the Principal Local Law.

In the letter the Committee requested the MRC to provide to them, in writing, an undertaking that it will amend a number of drafting errors prior to Monday 23 July 2012. The MRC responded to the Committee on 5 July 2012 advising that it will make the amendments to the Principal Local Law as requested.

The MRC sought clarification from the Department of Local Government relating to the wording of the Purpose and Effect and was advised that the wording should be in relation to the Amendment Local Law.

The purpose and effect of the amended Local Law reads as follows:

The purpose of the local law is to implement changes as requested by the Joint Standing Committee on Delegated Legislation.

The effect of the local law is to amend specific clauses being:

1. Clause 11 include a part 1
2. Clause 16(1) be deleted and the rest of that clause re-numbered accordingly
3. Clause 22 requiring a full stop
4. Clause 23 undertake a redraft
5. Schedule 1 – undertake a redraft

DETAIL

On the 20 September 2012, the Council resolved to give Statewide public notice of its proposal to amend the Mindarie Regional Council (MRC) Waste Facility Site Local Law 2012.

Subsequently, Statewide public notice was given of the proposed Amendment Local Law. No submissions were received.

On the 1 February 2013 the MRC The Department of Local Government provided comments on the proposed amendments to this local law as follows:

-
1. Under the instructions of the proposed amendment to Clause 11 the outcome would result as such:
“(1)(1) A person must not, without permission, park a vehicle, or cause or permit it to be parked, on the site.
 2. As there is only one subclause in Clause 18 it is unnecessary to number it as such, it is suggested that the “(1)” is deleted at the start of the paragraph; and Insert the word “or” after the semi colon at the end of subparagraph (b).
 3. The following minor edits are suggested to Schedule 1:
 - a. The reference to “[clause26]” in the title should be centralised;
 - b. Replace clause reference “16(1)” with the correct clause of the prescribed offence it relates to, being “16(2)” and
 - c. For consistency purposed consider changing the layout to clause 9(4)(a) and (b).

The effect of the amendment local law is amended to include changes to specific clauses suggested by the Department of Local Government being:

1. Clause 16(1) be deleted and the rest of that clause re-numbered accordingly
2. Clause 18 undertake a redraft
3. Clause 22 requiring a full stop
4. Clause 23 undertake a redraft
5. Schedule 1 – undertake a redraft

The MRC Waste Facility Site Amendment Local Law 2013 has been prepared by the MRC Administration taking into account the comments from the Department of Local Government and is at **Appendix No. 3**.

CONSULTATION

Department of Local Government

STATUTORY ENVIRONMENT

The process for amending the text of a Local Law is covered in s3.12 of the Local Government Act 1995, which reads as follows:

“3.12. Procedure for making local laws

- (1) In making a local law a local government is to follow the procedure described in this section, in the sequence in which it is described.*
 - (2) At a council meeting the person presiding is to give notice to the meeting of the purpose and effect of the proposed local law in the prescribed manner.*
 - (3) The local government is to —*
 - (a) give Statewide public notice stating that —*
 - (i) the local government proposes to make a local law the purpose and effect of which is summarized in the notice;*
 - (ii) a copy of the proposed local law may be inspected or obtained at any place specified in the notice; and*
 - (iii) submissions about the proposed local law may be made to the local government before a day to be*
-

specified in the notice, being a day that is not less than 6 weeks after the notice is given;

- (b) as soon as the notice is given, give a copy of the proposed local law and a copy of the notice to the Minister and, if another Minister administers the Act under which the local law is proposed to be made, to that other Minister; and*
 - (c) provide a copy of the proposed local law, in accordance with the notice, to any person requesting it.*
- (3a) A notice under subsection (3) is also to be published and exhibited as if it were a local public notice.*
- (4) After the last day for submissions, the local government is to consider any submissions made and may make the local law* as proposed or make a local law* that is not significantly different from what was proposed.*
- * Absolute majority required.*
- (5) After making the local law, the local government is to publish it in the Gazette and give a copy of it to the Minister and, if another Minister administers the Act under which the local law is proposed to be made, to that other Minister.*
- (6) After the local law has been published in the Gazette the local government is to give local public notice —*
- (a) stating the title of the local law;*
 - (b) summarizing the purpose and effect of the local law (specifying the day on which it comes into operation); and*
 - (c) advising that copies of the local law may be inspected or obtained from the local government's office.*
- (7) The Minister may give directions to local governments requiring them to provide to the Parliament copies of local laws they have made and any explanatory or other material relating to them.*
- (8) In this section —*
- making** *in relation to a local law, includes making a local law to amend the text of, or repeal, a local law.*

3.13. Procedure where significant change in proposal

If during the procedure for making a proposed local law the local government decides to make a local law that would be significantly different from what it first proposed, the local government is to recommence the procedure.

3.14. Commencement of local laws

- (1) Unless it is made under section 3.17, a local law comes into operation on the 14th day after the day on which it is published in the Gazette or on such later day as may be specified in the local law.*
-

-
- (2) *A local law made under section 3.17 comes into operation on the day on which it is published in the Gazette or on such later day as may be specified in the local law.*

3.15. *Local laws to be publicized*

A local government is to take reasonable steps to ensure that the inhabitants of the district are informed of the purpose and effect of all of its local laws.

3.16. *Periodic review of local laws*

- (1) *Within a period of 8 years from the day when a local law commenced or a report of a review of the local law was accepted under this section, as the case requires, a local government is to carry out a review of the local law to determine whether or not it considers that it should be repealed or amended.*
- (2) *The local government is to give Statewide public notice stating that —*
- (a) *the local government proposes to review the local law;*
 - (b) *a copy of the local law may be inspected or obtained at any place specified in the notice; and*
 - (c) *submissions about the local law may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given.*
- (2a) *A notice under subsection (2) is also to be published and exhibited as if it were a local public notice.*
- (3) *After the last day for submissions, the local government is to consider any submissions made and cause a report of the review to be prepared and submitted to its council.*
- (4) *When its council has considered the report, the local government may determine* whether or not it considers that the local law should be repealed or amended.*

** Absolute majority required.”*

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

The Committee has advised the MRC of textual errors in the Principal Local Law as it was presented and requested that they be addressed. To amend the text of a Local Law requires the same process as if a new Local Law was being developed. The Council at a meeting on 20 September 2012 endorsed the changes to the local law and confirmed its purpose and effect and authorised that the Principal Local Law as amended be advertised Statewide as required by s.3.12 (3) of the *Local Government Act 1995*.

As required by s.3.12 (4) of the *Local Government Act 1995* the Council is now required to consider and may make the local law proposed or make the local law that is not significantly different from what was proposed.

COMMENT

Nil

VOTING REQUIREMENT

Absolute Majority

RESPONSIBLE OFFICER RECOMMENDATION

**That Council proceeds to make the Mindarie Regional Council Waste Facility Site
Amendment Local Law 2013 as set out in Appendix No. 1.
(Absolute Majority Required)**

9.5	MINDARIE REGIONAL COUNCIL STANDING ORDERS AMENDMENT LOCAL LAW 2013
File No:	LAW/6
Appendix(s):	Appendix No. 4
Date:	15 February 2013
Responsible Officer:	Brian Callander, CEO

SUMMARY

Seeking Council's approval to approve Mindarie Regional Council's Standing Orders Amendment Local Law 2013 and give Statewide Public Notice.

BACKGROUND

The Joint Standing Committee on Delegated Legislation (the Committee) considered the Amendment Local Law at its meeting on 14 May 2012 and resolved to write to the MRC regarding a potential procedural defect in the making of the Amendment Local Law. The Committee noted that information provided by MRC reveals s.3.12(3) of the *Local Government Act 1995 (the Act)* was not followed in the prescribed sequential process demanded of s.3.12.

The information revealed that the MRC gave State-wide public notice on 14 December 2011 but:

- Did not give a copy of the proposed local law to the Department of Local Government until a month later, whereas the Act stipulates that this must be done "as soon as the notice is given"; and
- Did not give a copy of the State-wide public notice to the Minister pursuant to s.3.12(3)(b) of the Act.

The Committee resolved to place a 'protective' *Notice of Motion* to disallow the Amendment Local Law in the Legislative Council on 14 June 2012. On the 19 June 2012 the Committee requested the MRC to provide to them, in writing confirmation of the above. The MRC responded to the Committee on 16 July 2012 confirming that the information was correct.

The Committee advised MRC on the 3 December 2012 that the MRC Standing Orders Amendment Local Law 2012 was disallowed by the Legislative Council on 27 September 2012 and requested information as to what steps the Council is undertaking to re-make the Amendment Local Law. The MRC responded to the Committee on 3 December 2012 advising that the proposed MRC Standing Orders Amendment Local Law 2013 will be presented to the next available Ordinary Council meeting scheduled for 7 March 2013.

DETAIL

The MRC Standing Orders Amendment Local Law 2013 is contained in **Appendix No. 4**.

The purpose and effect of the local law reads as follows:

The purpose of the amendment is to delete subclause 5.9(3).

The effect of the amendment is to remove the power of the presiding person to rule that a member must not speak again on a matter.

STATUTORY ENVIRONMENT

The process for amending the text of a Local Law is covered in s3.12 of the Local Government Act 1995, which reads as follows:

“3.12. Procedure for making local laws

- (1) In making a local law a local government is to follow the procedure described in this section, in the sequence in which it is described.*
 - (2) At a council meeting the person presiding is to give notice to the meeting of the purpose and effect of the proposed local law in the prescribed manner.*
 - (3) The local government is to —*
 - (a) give Statewide public notice stating that —*
 - (i) the local government proposes to make a local law the purpose and effect of which is summarized in the notice;*
 - (ii) a copy of the proposed local law may be inspected or obtained at any place specified in the notice; and*
 - (iii) submissions about the proposed local law may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given;*
 - (b) as soon as the notice is given, give a copy of the proposed local law and a copy of the notice to the Minister and, if another Minister administers the Act under which the local law is proposed to be made, to that other Minister; and*
 - (c) provide a copy of the proposed local law, in accordance with the notice, to any person requesting it.*
 - (3a) A notice under subsection (3) is also to be published and exhibited as if it were a local public notice.*
 - (4) After the last day for submissions, the local government is to consider any submissions made and may make the local law* as proposed or make a local law* that is not significantly different from what was proposed.*

** Absolute majority required.*
 - (5) After making the local law, the local government is to publish it in the Gazette and give a copy of it to the Minister and, if another Minister administers the Act under which the local law is proposed to be made, to that other Minister.*
 - (6) After the local law has been published in the Gazette the local government is to give local public notice —*
 - (a) stating the title of the local law;*
 - (b) summarizing the purpose and effect of the local law (specifying the day on which it comes into operation); and*
 - (c) advising that copies of the local law may be inspected or obtained from the local government’s office.*
-

(7) *The Minister may give directions to local governments requiring them to provide to the Parliament copies of local laws they have made and any explanatory or other material relating to them.*

(8) *In this section —*
making *in relation to a local law, includes making a local law to amend the text of, or repeal, a local law.*

3.13. *Procedure where significant change in proposal*

If during the procedure for making a proposed local law the local government decides to make a local law that would be significantly different from what it first proposed, the local government is to recommence the procedure.

3.14. *Commencement of local laws*

(1) *Unless it is made under section 3.17, a local law comes into operation on the 14th day after the day on which it is published in the Gazette or on such later day as may be specified in the local law.*

(2) *A local law made under section 3.17 comes into operation on the day on which it is published in the Gazette or on such later day as may be specified in the local law.*

3.15. *Local laws to be publicized*

A local government is to take reasonable steps to ensure that the inhabitants of the district are informed of the purpose and effect of all of its local laws.

3.16. *Periodic review of local laws*

(1) *Within a period of 8 years from the day when a local law commenced or a report of a review of the local law was accepted under this section, as the case requires, a local government is to carry out a review of the local law to determine whether or not it considers that it should be repealed or amended.*

(2) *The local government is to give Statewide public notice stating that —*

(a) *the local government proposes to review the local law;*

(b) *a copy of the local law may be inspected or obtained at any place specified in the notice; and*

(c) *submissions about the local law may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given.*

(2a) *A notice under subsection (2) is also to be published and exhibited as if it were a local public notice.*

-
- (3) *After the last day for submissions, the local government is to consider any submissions made and cause a report of the review to be prepared and submitted to its council.*
- (4) *When its council has considered the report, the local government may determine* whether or not it considers that the local law should be repealed or amended.*

** Absolute majority required.”*

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

COMMENT

The Committee has advised the MRC of the disallowance of the Amendment Local Law and requested information as to what steps the MRC is undertaking to re-make the Amendment Local Law. To enact an amendment to a Local Law requires the same process as if a new Local Law was being enacted. Therefore it is recommended that the Council endorses the Mindarie Regional Council Standing Orders Amendment Local Law and confirm its purpose and effect and authorise it be advertised Statewide as required by s.3.12 (3) of the *Local Government Act 1995*.

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That the Council:

1. **Endorses the Mindarie Regional Council Standing Orders Amendment Local Law 2013 including its “purpose” and “effect” and provide a copy of the local law to the Department of Local Government;**
 2. **Authorises the Local Law detailed in (1) above to be advertised (state-wide public notice) in accordance with section 3.12(3) of the *Local Government Act 1995* and provide a copy of the advertisement to the Minister for Local Government.**
-

9.6	LIST OF PAYMENTS MADE FOR THE MONTHS ENDED 30 NOVEMBER 2012 AND 31 DECEMBER 2012
File No:	FIN/5-03
Appendix(s):	Appendix No. 5 Appendix No. 6
Date:	12 February 2013
Responsible Officer:	Gunther Hoppe, 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 2012 and 31 December 2012 are at **Appendix 5 and 6** 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 5 July 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 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 2012	General Municipal	Cheques	\$124,778.59
		EFT	\$3,213,447.47
		DP	\$563,150.11
		Total	\$3,901,376.17
31 December 2012	General Municipal	Cheques	\$180,400.95
		EFT	\$2,597,446.87
		DP	\$440,518.70
		Total	\$3,218,366.52

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 2012 and 31 December 2012 be noted.

9.7	FINANCIAL STATEMENTS FOR THE PERIODS ENDED 30 NOVEMBER 2012 AND 31 DECEMBER 2012
File No:	FIN/5-03
Appendix(s):	Appendix No. 7 Appendix No. 8 Appendix No. 9
Date:	12 February 2013
Responsible Officer:	Gunther Hoppe, 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 attached are for the months ended 30 November 2012 and 31 December 2012 and are attached at **Appendix No. 7 and 8** to this Item. The Tonnage Report for the 6 months to 31 December 2012 is attached at **Appendix No. 9**.

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 31 December 2012

	Actual	Budget	Variance
	t	t	t
Tonnes – Members	122,260	126,166	(3,906)
Tonnes – Others	20,029	27,359	(7,330)
TOTAL TONNES	142,289	153,525	(11,236)
	\$	\$	\$
Revenue - Members	16,155,082	16,738,479	(583,397)
Revenue – Other	4,386,704	4,672,804	(286,100)
TOTAL REVENUE	20,541,786	21,411,283	(869,497)
Expenses	20,524,390	21,014,209	489,819
Loss/(profit) on sale of assets	5,909	(10,888)	(16,797)
NET DEFICIT	(11,487)	407,962	(396,475)

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That the Financial Statements set out in Appendix No. 7 and 8 for the months ended 30 November 2012 and 31 December 2012, respectively, be received.

9.8	MID YEAR BUDGET REVIEW - 2012/2013
File No:	FIN/127
Appendix(s):	Appendix 10 Appendix 11
Date:	14 February 2013
Responsible Officer:	Gunther Hoppe, 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 2012/2013 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 \$643,652 to a forecast deficit of \$1,341,541 (**refer Appendix No. 10**).

The difference of \$1.98 million is primarily as a result of:

- a 20% decrease in non-members' tonnes (\$1.1 million);
- funding the Deloitte report (\$0.08 million);
- funding additional member fees and costs (\$0.04 million);
- funding additional capping expenditure in respect of Stage 2, Phase 1 (\$0.07 million)
- funding the tip face recovery project (\$0.049 million);
- adjusting the amortisation rate in respect of cell development costs and post closure/rehabilitation costs (\$0.9 million – non-cash impact);
- writing off Stage 1b development costs as part of the audit (\$0.22 million – non-cash impact);

totalling \$2.5 million in additional expenditure, offset by a net saving in other operational areas of \$0.52 million.

It is proposed that no adjustment be made to either the members' or non-members' gate fee, but rather that any residual deficit at 30 June 2013 be funded using the Participants' Surplus Reserve.

BACKGROUND

Council at its meeting held on 5 July 2012, resolved as follows:

1. *Adopt the Budget for the Mindarie Regional Council for Financial Year 2013 subject to the following changes to that presented in Appendix 4:*
 - *the changes to the Schedule of Fees to correctly reflect the calculation of the GST on the Carbon Price inclusive fee to give a GST and Carbon Price inclusive non-members' gate fee of \$166.54 as follows:*

MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
For the Year Ending 30 June 2013

SCHEDULE OF FEES FOR 2012/2013

		PROPOSED Fee (GST inclusive) from 1 July 2011	GST Payable to ATO	PROPOSED Fee (GST inclusive) from 1 July 2012	Carbon Price	GST Payable to ATO
1	(a) GENERAL ENTRY General waste and household rubbish (domestic) excepting liquid waste, swill or semi liquid waste. Charge per tonne	154.00	14.00	166.54	7.40	15.14
	Minimum charge for entry to site	12.00	1.09	12.00	0.37	1.09
	(b) Swill or Semi Liquid Waste	Not Accepted				
	(c) In the event of weighbridge breakdown due to power failure, maintenance or repairs the following fees shall apply to (a) above					
	(I) All vehicles carrying uncompact waste - per wheel of truck or trailer (larger than 1.8mx1.2m)	40.00	3.64	42.20	2.00	3.84
	Trailer (1.8mx1.2m or less)	40.00	3.64	42.20	2.00	3.84
	(II) All vehicles carrying compacted waste - per wheel of truck or trailer	80.00	7.27	84.40	4.00	7.67
(d) Asbestos - whole loads per tonne (incl burial fee)	200.00	18.18	200.00	-	18.18	
(e) Unweighed Load (Drive-Aways)	60.00	5.45	65.00	3.00	5.91	
2	SPECIAL BURIALS (SUPERVISED) At the discretion of the Site Controller in addition to the tonnage rates Charge per 5 cubic metres	200.00	18.18	200.00	-	18.18
3	CONTROLLED WASTE PER TONNE	200.00	18.18	207.40	7.40	18.85
4	SPECIAL COMMERCIAL ITEMS In lieu of the charges in 1, 2 & 3 above the following apply:					
	(a) Motor bodies and old machinery each item	25.00	2.27	26.00	1.00	2.36
	(b) Animal carcasses					
	Small domestic animals	8.00	0.73	8.50	0.50	0.77
	Large animals (Sheep and cattle etc.)	20.00	1.82	21.00	1.00	1.91
	(c) Tyres (Maximum disposal 4)-per 4 tyre, pro rata for < 4 Per tonne	18.00 300.00	1.64 27.27	18.00 300.00	- -	1.64 27.27
	(d) Safe sharp containers					
7 litre or less each	13.00	1.18	13.65	0.60	1.24	
Over 7 litres per litre	1.50	0.14	1.60	0.10	0.15	
(e) Light weight bulk material less 300 kg per cubic metre - each cubic metre	60.00	5.45	65.00	3.00	5.91	
5	REPLACEMENT OF LOST/DAMAGED DCS CARDS					
(a) Replacement of DCS Cards	50.00	4.55	50.00	-	4.55	
6	INFRINGEMENT AGENCY COSTS					
	(a) Debt Collection Fee		Debt Collection Agency's Costs plus 20% Admin Fee		Debt Collection Agency's Costs plus 20% Admin Fee	
(b) Dishonoured Cheque Fee		nil	20.00	-	nil	
7	A discount may be granted at the discretion of the Chief Executive Office					

-
- the changing of the Members' gate fee to \$137.00 per tonne (excluding GST) to correctly reflect the impact of the Carbon Price
 - the changes required in respect of the additional carried forward expenditures
 - the changes required in respect of the increase in the value of the Carbon Price reserve
 - Approve the Capital Budget Program of \$5,259,300 for 2013 as follows:

New capital expenditures

	\$
• Landfill infrastructure expenditure	34,000
• Office furniture and equipment	7,000
• Computer equipment	88,500
• Plant and equipment	51,000
• Vehicles	<u>204,000</u>
	384,500

Carried forward capital expenditures

• Landfill infrastructure expenditure	635,800
• Land Purchase (new Landfill Site)	4,000,000
• Computer equipment	48,000
• Vehicles	<u>191,000</u>
	4,874,800

Total Capital expenditure 5,259,300

2. endorse the on-going strategy of deferred payment of operational surplus, as approved by Council at its August 2005 meeting, for the Financial Year 2005/2006 and future years to meet its on-going capital requirement
 3. approve the use of an on-going overdraft facility of \$1 million to manage cashflow 'short falls' during Financial Year 2013 and future years
 4. approve the carry forward of the following operating budget to 2013:

• Computer Software Acquisition	25,000
• Computer Software Maintenance	27,000
• Landfill/Bushland Management	<u>29,100</u>
	81,100
 5. approve that \$1 million will be transferred from the Operating Surplus to the Reserve for Capital Expenditure.
 6. approve the transfer of \$484,600 from the Reserve for Capital Expenditure to fund capital expenditure during the year.
 7. approve the de-designation of the Reserve for RRF Operational Requirements as a cash-backed reserve, with the reserve transferred to the Retained Surplus account and the cash restricted for this reserve transferred to unrestricted cash funds.
-

-
8. *approve the creation of a new cash-backed Site Rehabilitation Reserve, the purpose of which will be ‘to fund post closure site rehabilitation costs associated with the Tamala Park landfill site’.*
 9. *approve the transfer of the opening balance on the Site Rehabilitation Provision as at 1 July 2012, along with any movement for the year, to the newly created Site Rehabilitation Reserve, and that the cash required to back this reserve will be transferred from unrestricted funds to restricted funds.*
 10. *approve that all interest earned on cash funds associated with cash-backed reserves will not be credited to the reserve.*
 11. *approve the change in name of the “Reserve for Members’ Revenue Equalisation” to “Participants’ Surplus Reserve Account” and the purpose of the reserve from “To be used to fund any under recovery in the Members’ tipping fees and any exceptional or extra ordinary expenditure” to “to fund any deficit or part of a deficit as shown in the annual financial report of the MRC”.*
 12. *approve the creation of the Carbon Price Reserve and the purpose of the reserve, which is “To be used to fund the MRC’s liability arising from the Carbon Price Mechanism”.*

Council operations have been conducted in line with the Adopted Budget for 2012/2013. 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 30 November 2012.

This reports highlights:

- those items that reflect significant trend variations to budgeted allocations,
- the anticipated revised financial projections to 30 June 2013; and
- and invites Council consideration of any new expenditure identified as a result of the review.

The Income Statement reflecting the Adopted Budget, Actual Expenditure to 30 November 2012 and projected expenditure to 30 June 2013 is enclosed as **Appendix No. 10** of this report.

A Statement of Investing Activities reflecting the Adopted Budget, Actual Expenditure to 30 November 2012 and projected capital expenditure to 30 June 2013 is enclosed as **Appendix No. 11** of this report.

DETAIL

Revenue

Forecast revenue for members is materially in line with budget expectations.

Non-member tonnes are however down, and it is expected that only 80% of the originally budget 53,000 tonnes will be received by year end. This will result in a decrease in non-member gate fee revenue of approximately \$1,465,200, offset by a decrease in associated variable costs totally approximately \$381,482, resulting in a net decrease in profit of \$1,083,718.

The MRC is in dialogue with our significant customers in order to protect this waste stream, but the feedback seems to indicate that a number of commercial customers have been able to find cheaper alternatives for their waste. The robustness of the estimated tonnages for non-members was a discussion point for Councillors and Officers at the MRC's budget workshops in May 2012, where the feeling was that an aggressive target should be set, as any shortfall could be funded from reserves.

Revenue from grants and subsidies is \$360,000 below budget as a result of the waste audit project not being approved by the Department of Environment and Conservation. It is unlikely that any funding in this regard will be received before 30 June 2013. This is more than offset by a reduction in the corresponding Waste Minimisation expenditure of \$380,000.

Operating Expenditure

A number of items have been approved by Council during the course of the year so far for funding in the half yearly budget review. These expenses included:

- \$80,000 in respect of the Deloitte Report on Stirling that was commissioned in September 2012;
- An increase in the fees paid to Councillors totalling \$42,500; and
- Additional expenditure in respect of the Stage 2 Phase 1 Capping project totalling \$69,531.

In addition to these expenses, it is anticipated that an additional net \$49,900 will be required to fund the Tip Face Resource Recovery Project (details of project is the subject of a separate report in this agenda) until the end of the financial year. .

On the back of the financial modelling that was done after the budget was approved as part of the year end audit process, \$222,000 of cell development expenses in relation to Stage 1b were written off, and the consumption rate used in respect of cell development amortisation allocations was also amended, resulting in an increased expenditure of \$906,600. Both of these adjustments are non-cash items, which although they affect the net surplus position, do not have any cash funding implications.

Significant operational savings are expected to be achieved in the areas of staff costs (\$123,000), Consultants and Contract Labour (\$239,200) and building maintenance (\$35,100). These savings are partially offset increased landfill (\$55,200) and plant (\$186,340) costs which include the costs associated with the Tipface Resource Recovery Project, but also additional costs in respect of machine maintenance incurred and expected to be incurred during the year. An additional \$65,000 in respect of the Tamala Park lease expenses is also expected to be incurred as a result of a true-up performed as part of the half year budget process.

Capital Expenditure

Capital expenditure for the year is tracking in line with budget. The following additional amounts have been added to the capital expenditure forecast for the year:

- An increase of \$2,173 in respect of the Education Vehicle as prices had changed in the period between budget setting and purchase of the vehicle;
- An additional \$19,600 for another tarpomatic spool, in order to further reduce the use of daily cover on the landfill;

\$123,852 of non-critical computer equipment expenditure has been put on hold pending the outcome of an IT Infrastructure review being undertaken by Multipro. This will be included as a consideration in formalising the 2013/2014 Annual Budget. In addition a further \$5,800 of Infrastructure and Equipment capital expenditure have been deferred.

\$4,000,000 in respect of a new landfill site location will be carried forward to 2013/2014.

CONSULTATION

Consultation occurred with Member Councils (in relation to tonnages).

STATUTORY ENVIRONMENT

The Mid-Year Budget Review is carried out in accordance with the provision of the Local Government Act and Regulations.

POLICY IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Not applicable.

FINANCIAL IMPLICATIONS

It is proposed that the deficit at 30 June 2013 (forecast to be \$1,341,541) be funded from the Participants' Surplus Reserve Account. Council approved that the purpose of this reserve was that it should be used *"to fund any deficit or part of a deficit as shown in the annual financial report of the MRC"*.

VOTING REQUIREMENT

Absolute Majority

RESPONSIBLE OFFICER RECOMMENDATION

That Council:

1. **Approve by Absolute Majority the forecast deficit position estimated to be \$1,985,193 at 30 June 2013, which includes the following:**
 - **A net decrease in non-members' revenue of approximately \$1,083,718;**
 - **A decrease in grants and subsidies of \$360,000, offset by a corresponding saving of \$380,000 in respect of waste minimisation projects;**
 - **Expenditure of \$80,000 in respect of the Deloitte report;**
 - **An increase in Member Fees of \$42,500;**
-

-
- **Additional expenditure in respect of Stage 2 Phase 1 capping works of \$69,531;**
 - **Additional expenditure of approximately \$49,900 in respect of the Tip Face Resource Recovery Project;**
 - **The write off of approximately \$222,000 in respect of Stage 1b cell development costs;**
 - **The amended cell development amortisation costs of approximately \$906,600; and**
 - **Additional operational cost savings of approximately \$520,000.
(Absolute Majority Required)**
2. **Approve by Absolute Majority the increase capital expenditures of \$21,773, which includes:**
- **An increase of \$2,173 in respect of the Education Vehicle;**
 - **An additional \$19,600 for another tarpomatic spool;**
 - **The deferral of the \$4,000,000 land purchase to 2013/2014; and**
 - **The deferral of \$129,652 of other capital expenditure.
(Absolute Majority Required)**
3. **Approve by Absolute Majority that the MRC continue to run a deficit budget until 30 June 2013, at which stage the deficit at year end (forecast to be \$1,341,541) as detailed in the Annual Financial Report will be funded using the Participants' Surplus Reserve.
(Absolute Majority Required)**
-

9.9	ADOPTION OF 2012 ANNUAL COMPLIANCE RETURN
File No:	COR/12-03
Appendix(s):	Appendix 12
Date:	21 February 2013
Responsible Officer:	Gunther Hoppe

SUMMARY

The purpose of this report is to provide Council with information on the completed Compliance Audit Return (1 January – 31 December 2012).

BACKGROUND

A Compliance Audit Return (the Return) is required to be completed by regional councils annually. The period of each return is 1 January to 31 December. The Administration has completed the Return. One area of non-compliance was recorded in the Return as follows:

“The CEO’s Primary Return was completed and returned within three months of his start date but was misplaced. A new Primary Return was signed four months after start date.”

The Audit was placed on the agenda of the Audit Committee’s meeting on 21 February 2013.

DETAIL

The Audit Committee at its meeting on 21 February 2012 considered the Return and resolved the following:

“That the Audit Committee endorse the Compliance Audit Return as presented, for the year 1 January 2012 to 31 December 2012.”

CONSULTATION

Nil

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 subregulation (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. Compliance audit return, certified copy of etc. to be given to Executive Director

- (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 Executive Director 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

Nil

RESPONSIBLE OFFICER RECOMMENDATION

1. That Council adopts the 2012 Annual Compliance Audit Return as endorsed by the Audit Committee at its meeting held on 21 February 2013.
 2. The adopted return detailed in (1) above be signed by the Chairperson and the Chief Executive Officer (certified) and submitted to the Executive Director prior to 31 March 2013.
-

10 MEMBERS INFORMATION BULLETIN – ISSUE NO. 9

RESPONSIBLE OFFICER RECOMMENDATION

That the Members Information Bulletin Issue No. 9 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

15 NEXT MEETING

Next meeting to be held on Thursday 2 May 2013 in the Council Chambers at City of Wanneroo commencing at 5.30pm.

16 CLOSURE
