



MINUTES

ORDINARY COUNCIL MEETING

TIME: 5.30PM

19 FEBRUARY 2015

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



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1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS
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The Chairperson declared the meeting open at 5.30pm

2 ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE
--

Councillor Attendance

Cr R Fishwick (Chair)	City of Joondalup
Cr D Boothman	City of Stirling
Cr R Driver	City of Wanneroo
Cr K Hollywood	City of Joondalup
Cr D Newton JP	City of Wanneroo
Cr S Proud	City of Stirling
Cr E Re	City of Stirling
Cr S Withers	Town of Cambridge

Leave of Absence

Nil

Apologies

Cr B Stewart (Deputy Chairman)	City of Stirling
Cr J Bissett	Town of Victoria Park
Cr J Carey	City of Vincent
Cr J Davidson	City of Perth

MRC Officers

Mr B Callander (Chief Executive Officer)
Mr G Hoppe (Director Corporate Services)
Ms L Nyssen (Executive Support)

Member Council Observers

Mr A Murphy (City of Joondalup)
Mr D Forster (City of Perth)
Mr N Ahern (City of Perth)
Mr S Sciberras (City of Stirling)
Mr W Bow (Town of Victoria Park)

Visitors

Nil

Members of the Public

Nil

Press

Nil

3 DECLARATION OF INTERESTS

Interest Type	Interest that may affect impartiality
Name and Position of Person	Cr Kerry Hollywood
Report Item No. and Topic	Item 14.1 – Tender Outcome Side Slope Surface preparation and installation of Geosynthetic Liner
Nature of Interest	Director of Ertech is known to Cr Hollywood

4 PUBLIC QUESTION TIME

Nil

5 ANNOUNCEMENTS BY THE PRESIDING PERSON
--

Nil

6 APPLICATIONS FOR LEAVE OF ABSENCE
--

Nil

7 PETITIONS / DEPUTATIONS / PRESENTATIONS
--

Nil

8 CONFIRMATION OF MINUTES OF PREVIOUS MEETING
--

8.1 ORDINARY COUNCIL MEETING – 11 DECEMBER 2014

The Minutes of the Ordinary Council Meeting held on 11 December 2014 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 11 December 2014 be confirmed as a true record of the proceedings.

RESOLVED

Cr Re moved, Cr Proud seconded

That the recommendation be adopted.

CARRIED UNANIMOUSLY (8/0)

9 CHIEF EXECUTIVE OFFICER REPORTS
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9.1	FINANCIAL STATEMENTS FOR THE PERIODS ENDED 30 NOVEMBER 2014 AND 31 DECEMBER 2014
File No:	FIN/5-04
Appendix(s):	Appendix No. 1 Appendix No. 2 Appendix No. 3
Date:	29 January 2015
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 attached are for the months ended 30 November 2014 and 31 December 2014 and are attached at **Appendix No. 1 and 2** to this Item. The Tonnage Report for the 6 months to 31 December 2014 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 period ended 31 December 2014

	Actual	Budget	Variance
	t	t	t
Tonnes – Members	187,041	200,333	(13,292)
Tonnes – Others	10,581	18,324	(7,743)
TOTAL TONNES	197,622	218,657	(21,035)
	\$	\$	\$
Revenue – Members	21,265,766	22,719,400	(1,453,634)
Revenue – Other	2,785,801	3,740,522	(954,721)
TOTAL REVENUE	24,051,567	26,459,922	(2,408,355)
Expenses	22,526,722	24,449,772	1,923,050
Profit on sale of assets	3,372	-	3,372
Loss on sale of assets	(31,127)	(5,898)	(25,229)
NET SURPLUS	1,497,090	2,004,252	(507,162)

Commentary

Member tonnes for the 6 months to December 2014 are 13,292 tonnes below budget, primarily as a result of differences in the timing of waste deliveries and the closure of the Wanneroo Materials Recovery Facility.

Non-member tonnes are 7,743 tonnes below budget, primarily as a result of the loss of a large commercial customer early in the year which has developed its own facility.

Expenses are \$1,923,050 below budget primarily as a result of delays in the commencement of a number of landfill projects, staff vacancies and the reduced tonnes to landfill.

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 2014 and 31 December 2014, respectively, be received.

RESOLVED

**Cr Proud moved, Cr Newton seconded
 That the recommendation be adopted.**

CARRIED UNANIMOUSLY (8/0)

9.2	LIST OF PAYMENTS MADE FOR THE MONTHS ENDED 30 NOVEMBER 2014 AND 31 DECEMBER 2014
File No:	FIN/5-05
Appendix(s):	Appendix No. 4 Appendix No. 5
Date:	29 January 2015
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 2014 and 31 December 2014 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 4 September 2014, 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 2014	General Municipal	Cheques	\$74,558.09
		EFT	\$3,436,283.20
		DP	\$541,005.25
		Inter account transfers	-
		Total	\$4,051,846.54
31 December 2014	General Municipal	Cheques	\$84,557.53
		EFT	\$2,701,713.06
		DP	\$451,431.14
		Inter account transfers	\$2,000,000.00
		Total	\$5,237,701.73

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 2014 and 31 December 2014 be noted.

RESOLVED

Cr Re moved, Cr Hollywood seconded

That the recommendation be adopted.

CARRIED UNANIMOUSLY (8/0)

9.3	MID YEAR BUDGET REVIEW - 2014/15
File No:	FIN/134
Appendix(s):	Appendix 6
Date:	28 January 2015
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 2014/15 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 \$1,677,152 to a forecast deficit of \$1,770,914 (*refer Appendix 6*). This change from a surplus to a deficit is as a result of the decrease in waste tonnes being delivered to the MRC.

It is anticipated that there will be an overall reduction in tonnes received by the MRC of 42,000 tonnes (12%), between the 364,000 tonnes budgeted and the 322,000 expected per the reforecast.

The material tonnage reductions relate to:

- City of Stirling 19,000 tonnes
- Trade customers 15,000 tonnes
- City of Wanneroo 4,000 tonnes

The reduction in expected tonnes from members is largely as a result of additional planned diversion activity by the councils, as well the closure of the Wanneroo Materials Recovery Facility.

The reduction in non-member tonnes is as a result of reduced tonnes from commercial customers. A significant commercial customer has opened its own waste facility and as a result, has not been bringing its tonnes to the MRC since July 2014. In addition, the increase in the landfill levy from \$28 per tonne to \$55 per tonne as of 1 January 2015 will further incentivise commercial operators to find cheaper waste processing alternatives.

The expected 42,000 tonne reduction in deliveries to the MRC has the following impacts:

Revenue

- \$3.3 million reduction in revenue from members
- \$2.2 million reduction in revenue from non-members

Operating costs

- \$1.5 million reduction in the landfill levy payable as a result of the decrease in tonnes
 - \$0.2 million decrease in the amortisation of cell development costs as a result of the decrease in tonnes to landfill.
-

As a result, the net negative impact of the reduction in tonnes on the expected surplus is \$3.8 million.

The impact of this decrease is slightly ameliorated by savings of \$0.3 million across the remainder of the operating budget.

BACKGROUND

Council at its special council meeting held on 26 June 2014, resolved that council:

- (i) adopt the Budget for the Mindarie Regional Council for Financial Year 2014/15*
- (ii) endorse the on-going strategy of deferred payment of operational surplus, as approved by Council at its August 2005 meeting, for the Financial Year 2005/06 and future years to meet its on-going capital requirement*
- (iii) approve the use of an on-going overdraft facility of \$1 million to manage cashflow 'short falls' during Financial Year 2014/15 and future years*
- (iv) Approve the Capital Budget Program of \$16,360,300 for 2014/15 as follows:*

New capital expenditures

	\$
• Cell lining	2,800,000
• Building upgrades	35,000
• Office furniture and equipment	42,000
• Computer equipment	66,300
• Plant and equipment	245,000
• Infrastructure	25,000
• Vehicles	<u>2,302,000</u>
	5,245,300

Carried forward capital expenditures

• Land Purchase (new Landfill Site)	6,000,000
• Sorting shed	4,000,000
• Cell lining	1,000,000
• Admin office renovation	25,000
• Recycling centre and education redevelopment	<u>90,000</u>
	11,115,000

Total Capital expenditure 16,360,300

- (v) approve that \$471,197 will be transferred from the Operating Surplus to the Site Rehabilitation Reserve.*
 - (vi) approve that \$1,500,000 will be transferred from the Operating Surplus to the Reserve for Capital Expenditure.*
 - (vii) approve that \$2,560,300 be transferred from the Reserve for Capital Expenditure to Operating Surplus to fund capital expenditures.*
 - (viii) approve that the funds required to acquit the MRC's carbon price liability at 30 June 2014 will be transferred from the Carbon Price Reserve to the Operating Surplus.*
-

(ix) *approve that all interest earned on cash funds associated with cash-backed reserves will not be credited to the reserve.*

(x) *approve that \$96,630 of operational expenditures will be carried forward from the 2013/14 budget to the 2014/15 budget.*

Council operations have been conducted in line with the Adopted Budget for 2014/15.

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 2014.

This reports highlights:

- those items that reflect significant trend variations to budgeted allocations, and
- the anticipated revised financial projections to 30 June 2015.

The Income Statement reflecting the Adopted Budget, Actual Expenditure to 30 November 2014 and projected expenditure to 30 June 2015, as well as the projected capital expenditure is enclosed as **Appendix 6** of this report.

DETAIL

Revenue

As outlined in the Summary section above, there have been material variations in the budget with respect to revenues as a result of the reductions in tonnes being delivered to the MRC.

The 12% reduction in tonnes to the MRC will result in a \$3.3 million decrease in revenue received from member councils and a \$2.2 million reduction in revenue received from non-members, in particular the commercial operators.

Operating Expenditure

The reduction in tonnes to landfill results in a reduction in the variable costs associated with landfilling waste, being primarily the landfill levy and the construction costs associated with the landfill which are 'recovered' over the tonnes landfilled.

As a result, it is anticipated that there will be a \$1.5 million reduction in the MRC's landfill levy costs and a \$0.2 million reduction in the amortisation of cell development costs.

In addition, a further \$0.3 million of savings have been forecast across the operating budget.

Capital Expenditure

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

-
- \$47,000 for the purchase of the education vehicle will be carried forward to the 2015/16 budget
 - Net savings of \$4,729 were achieved on the purchase of the Chief Executive Officer and Director Corporate Services' vehicles
 - \$24,500 in relation to a forklift was contracted for under the 2013/14 budget, but due to a delay in the delivery of the machinery, it was only accounted for in July 2014.
 - Savings of \$2,445 were achieved in relation to computing equipment purchased during the year.

Funding of the anticipated deficit

Consideration has been given to a mid-year increase to the members' gate fee to fund at least a portion of the forecast deficit, however it has been deemed more appropriate to fund the deficit in full by way of the Participants' Surplus Reserve (PSR).

The anticipated deficit is expected to be approximately \$1.8 million. There is currently \$2 million available in the PSR, which is sufficient to fund the deficit.

The budget had anticipated a surplus of \$1.7 million which was to be used towards funding the capex and the post closure reserves. This will no longer be possible based on the budget reforecast.

CONSULTATION

Consultation occurred with Member Councils in relation to forecast tonnes and the possibility of a mid-year members' gate fee reset.

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, there will be no changes made to the members' or non-members' gate fees and there will be a nil surplus at year end, with the anticipated \$1.8 million deficit being funded from the PSR.

COMMENT

The MRC's budget is prepared based on waste tonnage estimates provided by its member councils. The fixed costs of the MRC's operations are absorbed across these tonnes in deriving the gate fee rate.

Where these estimates change during the financial year or where waste is diverted to alternative processing facilities, the MRC is unable to recover the consequential financial shortfall through its normal operations.

Were there was not a substantial PSR in place, this shortfall would have needed to have been passed on to member councils through a mid-year reset of the gate fee.

The MRC is committed to its vision of **Winning Back Waste** and is therefore broadly supportive of initiatives that successfully divert waste from landfill. It is however vitally important that due consideration is given to the consequential increase in costs per tonne for the remaining tonnes brought to the MRC that will occur when business cases for these initiatives are undertaken.

VOTING REQUIREMENT

Absolute Majority

RESPONSIBLE OFFICER RECOMMENDATION

That Council:

1. **Approve by Absolute Majority the forecast deficit position estimated to be \$1,770,914 at 30 June 2015, which includes the following:**
 - **A net decrease in members' user charges of approximately of \$3.3 million;**
 - **A net decrease in non-members' user charges of approximately \$2.2 million;**
 - **A net increase in total other charges of \$24,287;**
 - **A net decrease in expenditures of \$2,048,172;**
 - **A net increase in the loss on sale of assets of \$26,696; and**
 - **A net decrease in capital expenditures of \$29,673.**

2. **Approve by Absolute Majority the use of the Participants' Surplus Reserve to fund the deficit position at 30 June 2015, estimated to be \$1,770,914.**

(Absolute Majority Required)

RESOLVED

**Cr Re moved, Cr Driver seconded
That the recommendation be adopted.**

CARRIED UNANIMOUSLY (8/0)

9.4	RESPONSE TO THE REVIEW OF THE WASTE AVOIDANCE AND RESOURCE RECOVERY ACT 2007 - DISCUSSION PAPER
File No:	GVR/20
Appendix(s):	Appendix No. 7 - Vision for Waste Management in the Metropolitan Area Appendix No. 8 – WALGA’s Draft Response to the review of the WARR Act Discussion Paper
Attachment(s)	1. MRC’s Response to the Review of the Waste Avoidance and Resource Recovery Act 2007 – Discussion Paper released on 1 December 2014
Date:	15 January 2015
Responsible Officer:	CEO

SUMMARY

To determine an appropriate response to the discussion paper released by the Department of Environment Regulation (DER) on the required review of the *Waste Avoidance and Resource Recovery Act 2007* (the Act).

BACKGROUND

The DER released a Discussion Paper on the review of the Act dated 1 December 2014 requesting submissions to be received by 23 February 2015.

The primary objectives of the Act are set out in section 5, which reads:

- (1) *The primary objects of this Act are to contribute to sustainability, and the protection of human health and the environment, in Western Australia and the move towards a waste-free society by –*
 - (a) *Promoting the most efficient use of resources, including resource recovery and waste avoidance; and*
 - (b) *Reducing environmental harm, including pollution through waste; and*
 - (c) *The consideration of resource management options against the following hierarchy –*
 - (i) *Avoidance of unnecessary resource consumption;*
 - (ii) *Resource recovery (including reuse, reprocessing, recycling and energy recovery);*
 - (iii) *Disposal*
- (2) *The principles set out in the EP Act section 4A apply in relation to the objects of this Act.*

The terms of reference of the review of the Act are to consider the effectiveness in meeting its primary objectives and its alignment with the State Government’s Waste Strategy.

A number of factors are highlighted as warranting an increased strategic role for the State Government to improve the performance of the waste sector as follows:

- Ongoing failure of current market-based and institutional arrangements to realise the full value of the resources lost to landfill;
 - Concern over siting new landfills off the Swan Coastal Plain to service the landfill needs of the Perth and Peel Regions;
-

-
- Systematic waste supply barriers to major private waste infrastructure projects;
 - The challenge of ensuring that planning for waste is integrated as a standard consideration in the state planning framework;
 - The need to ensure that landfill costs reflect the full long-term costs associated with the activity, and the loss of potential resources that occurs as a result;
 - Calls for changes to the regulatory system to allow greater flexibility over which materials attract landfill levy; and
 - Ongoing viability in performance and efficiency of a number of local government collection and processing systems.

Based on the above the following reform opportunities include:

- Increasing the relevant value of materials extracted from the waste stream (through for example improved source separation);
- Establishing landfill options to avoid *ad hoc* siting of landfills, as environmental issues have precluded new putrescible landfills on the Swan Coastal Plain;
- Stimulating the development of major new infrastructure investments, such as waste to energy;
- Future waste infrastructure needs identified in State-level waste infrastructure plans;
- Establish new regulatory frameworks for materials derived from waste that increase their ability to compete with and replace traditional products;
- Improving the yield and cost-effectiveness of waste collection and processing systems and services; and
- Reducing the fragmentation of waste services and increasing the coordination in communications activities aimed at householders and businesses.

Part 3 of the discussion paper sets out the reform proposals that may require amendments to the Act. It is this part of the paper on which comments are being sought.

Part 3.1 of the paper raises concerns about the manner in which Local Government currently manages its Waste Operations:

Performance and coordination of waste flows

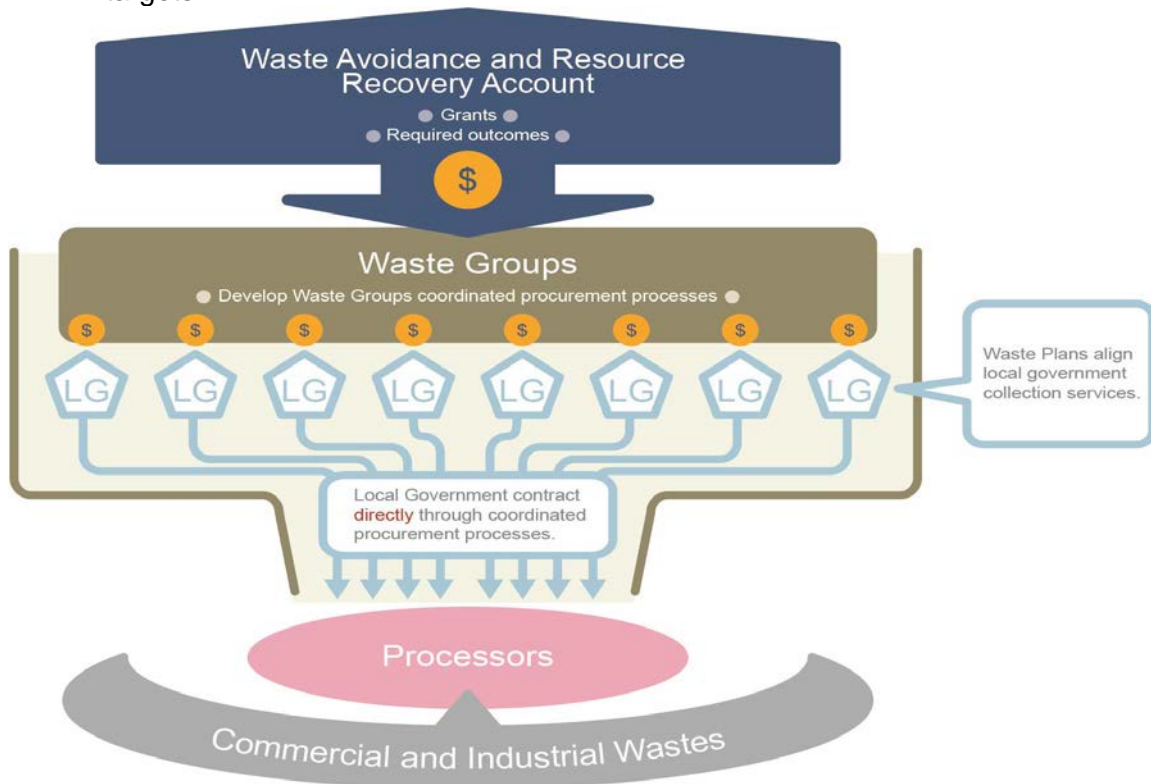
- Local Government waste collection and processing varies considerably resulting in inefficiencies and does not take full advantage of aggregation of waste and obtaining economies of scale.
- There is no compulsion on regional councils to pursue State policy objectives and that service delivery that is aligned to the State strategy is financially driven.
- Current regional council boundaries are not conducive for efficient waste collection, transport and processing. There are opportunities to revise these boundaries to improve efficiencies.

Several Local Governments have withdrawn from regional councils reducing their effective planning and purchasing functions. This impacts on the ability for regional councils to make long-term commitments. Significant cost premiums are being paid due to the development of mixed waste processing facilities.

Waste Group Membership

- Local Government membership to waste groups is essential for long-term planning and investment.
 - It is proposed to establish statutory waste group(s) (refer diagram below) with compulsory Local Government membership, which would be required to develop
-

waste plans to meet the statutory State waste plans and the Waste Strategy targets.



The proposal to create waste groups is aligned to a model developed in Victoria. The Victorian model however, has broader responsibilities than the waste group/s that are proposed in the discussion paper.

The reason for providing the information on the Victorian model is that there are many similarities between this model and the strategic direction of the Waste Authority in Western Australia - the implementation of its vision paper, the development of the Strategic Waste Infrastructure Plan and the proposed implementation of Waste group/s as highlighted in the Review of the WARR Act – Discussion Paper.

The Victorian model is based around three strategic planning documents, as follows:

Victoria’s waste and resource recovery policy

'The Victorian Waste and Resource Recovery Policy' sets a 30 year vision for waste and resource recovery in Victoria with policy priorities that will guide actions over the next ten years.

The policy aims to drive future economic productivity for the state through the growth and improvement of waste management and resource recovery industries. Concurrently, it will resolve some of the challenging environmental and public health problems posed by waste in Victoria.

The Statewide Waste and Resource Recovery Infrastructure Plan (SWRRIP)

The Victorian Government, led by Sustainability Victoria, is currently developing a Statewide Waste and Resource Recovery Infrastructure Plan which will include:

- a comprehensive audit of existing infrastructure across the state, including current and future capacity, and current environmental performance

-
- analysis of current and projected waste volumes, mixes, and origin to destination flows, and identification of likely 'regional waste catchments' based on these projections. This will be informed by demographic and economic data
 - assessment of the potential for, and opportunities from, co-locating new waste and resource recovery infrastructure with similar activities such as waste water treatment and other industrial precincts
 - identification of residential and industrial growth land use areas
 - transport considerations such as strategic freight corridors and logistics hubs
 - statewide guidance on issues, risks and infrastructure gaps.

The Metropolitan Waste and Resource Recovery Strategic Plan

The Metropolitan Waste and Resource Recovery Strategic Plan (Strategic Plan) articulates the long term direction for resource recovery and waste management in metropolitan Melbourne as determined under the Environment Protection Act 1970.

The first Strategic Plan was released in 2009 and provided direction for the Metropolitan Waste and Resource Recovery Group's (MWRRG) business planning and key priorities including the development of a procurement model for waste facilities, an organics strategy for metropolitan Melbourne, planning amendments and education.

The MWRRG – the equivalent of WA's Waste Groups - is responsible for a range of services. The following information is drawn from the MWRRG's web site (www.mwrrg.vic.gov.au) which describes how the group was established and its aims.

"The Metropolitan Waste and Resource Recovery Group [MWRRG] is a Victorian State Government Statutory Body responsible for coordinating and facilitating the delivery of waste management and resource recovery across metropolitan Melbourne. MWRRG was established on 1 August 2014 by s49C(1) of the Environment Protection Act 1970, and succeeds the former Metropolitan Waste Management Group (MWMG). MWRRG's planning role is responsible for all waste streams – municipal solid waste (MSW), construction and demolition waste (C&D) and commercial and industrial waste (C&I).

We work with Melbourne's 31 metropolitan councils to:

- *Plan for waste management and resource recovery facilities and services across metropolitan Melbourne*
- *Facilitate joint procurement of facilities and services to provide better economic, environmental and waste management outcomes for councils*
- *Help build the capacity and knowledge of councils and their communities of world best practice waste minimisation and the opportunities and options available for improved services and infrastructure.*

Our aims

MWRRG's aims are to:

1. *Minimise waste – reduce the generation of waste*
 2. *Maximise recovery resources – maximise the sustainable recovery of materials from waste*
 3. *Improve waste infrastructure – facilitate continual development and improvement of waste and resource recovery infrastructure*
 4. *Integrate statutory planning for waste and resource recovery – work to ensure that waste and resource recovery is supported by statutory planning processes and decisions*
 5. *Manage residual waste – minimise the damage to the environment caused by waste disposal*
-

6. *Improve delivery capacity – build capacity and promote best practice in the municipal solid waste sector through integrated projects and the provision of expertise and resources.”*

The MWRRG has a Board made up of eight directors appointed by the State Government. Four skills-based directors are selected by the Minister for Environment and Climate Change, and four are nominated collectively by the 31 councils that belong to the Metropolitan Local Government Waste Forum. The Chair is appointed by the Minister and selected from the four forum-nominated members.

The Board has responsibilities that include:

- approving, where appropriate, policies and recommendations from sub-committees and staff
- monitoring, reviewing and recommending changes on internal strategies and policies
- participating in the development of the MWRRG Business Plan, Metropolitan Waste Plan, Constitution, Education Strategy and Annual Report
- considering and approving the Annual Budget
- appointing the CEO
- assisting in the development of and maintaining positive relations among the Board, committees, staff, stakeholders and the community.

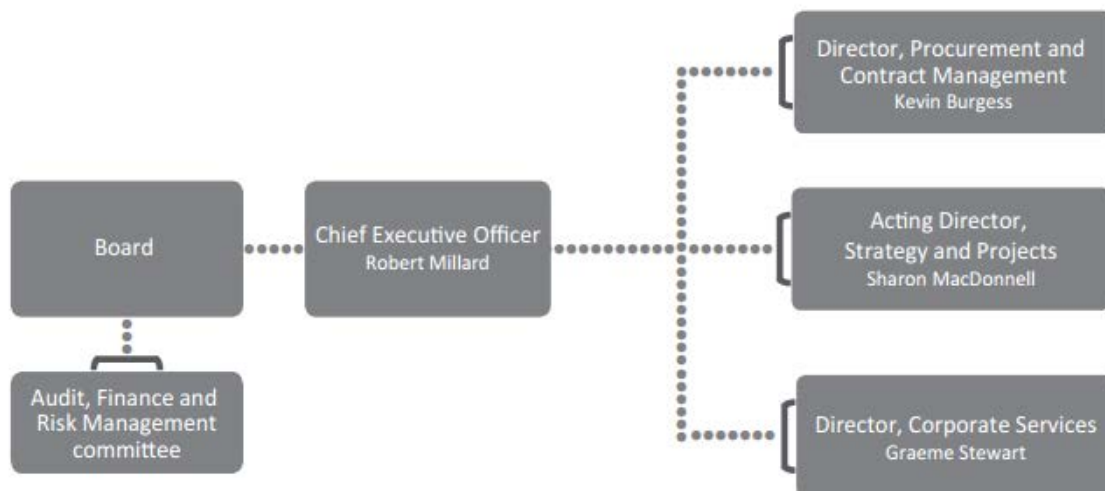


Figure 2: Organisational structure of the Metropolitan Waste Management Group

DETAIL

The discussion paper considers that there are a number of inefficiencies in waste management services currently provided by local government and proposes to amend the WARR Act 2007 (the Act) to require, by statute, all local governments in the Metropolitan Area to be a member of a waste group(s).

The Waste Group(s) will:

- Provides procurement services to local government for waste services (Figure 2 indicates the Organisational Structure of a waste group in Victoria).

-
- Require compulsory memberships of all local governments in the Metropolitan Area to waste group/s (however it is silent on the requirement for a local government to utilise these services).

Noting that the Victorian Model does not require a local government to take up the services offered by waste groups. Discussions with the DER indicate that local government will be enticed to utilise the services of the waste group/s by being provided with financial incentives (funded from the waste levy funds).

Introducing statutory waste groups in Western Australia under the Act is just a duplication of service.

The discussion paper relies on the past to highlight inefficiencies that exist in the current operations and systems. Contributing factors that are not included in the discussion paper are:

- a complete lack of leadership by the State Government in Waste Management over the last 10 years;
- an agreed position by the State (through the Waste Authority), Local Government (through WALGA) and regional councils on the reform of regional councils to address the inefficiencies detailed in the discussion paper; and
- the recent collaborative work between the State, Local and regional councils that culminated in the development by WALGA of a reform paper for regional councils entitled “Vision for Waste Management in the Metropolitan Area” (*refer Appendix 7*).

Note: Both the Minister for the Environment and the Minister for Local Government have publicly supported the WALGA model.

The Administration of the MRC have prepared a formal response (*refer Attachment 1*), which includes the background to the discussion paper and responses to Part 3 of the review as required by the DER. The MRC’s response addresses Part 3 as follows:

WARR Act Reform Proposals

Part 3 of the Discussion Paper sets out the reform proposals that may require amendments to the Act. **It is this section regarding which comments are being sought.**

The issues raised and solutions offered in the Discussion Paper are introduced by number and illustrated in dot point. The MRC’s response to the issues raised and proposed solutions are contained in a box following each part.

3.1 Local Government Waste Operations

- a. Performance and coordination of waste flows:
 - i. Vary considerably across Perth, don’t take advantage of economies of scale and cannot coordinate significant supplies of waste at one time.
 - ii. Regional councils coordinate waste processing on behalf of Local Government. There is no formal mechanism to encourage service delivery aligned with State strategy; are predominantly financial rather than statutory.
-

- iii. Existing regional council boundaries are not necessarily ideal to encourage waste collection, transport and processing, which leads to inefficiencies and lack of coordinated effort.
- iv. There are opportunities to revise regional council boundaries to improve planning and service delivery. Currently there are no statutory processes to provide coordination between the areas.

MRC's Comment

It is acknowledged that there are limits on the capabilities of local government and regional councils in their current form to provide consistent services across Perth, reducing both environmental and fiscal benefits.

However, the reform processes for both local government and regional councils will address these issues without the need for the creation of new bureaucracy (Statutory Waste Groups). A reduced number of larger local governments, together with reformed regional councils, would be able to address the majority of the issues above.

The reform paper developed by the Western Australia Local Government Association entitled "Vision for Waste Management in the Metropolitan Area" (WALGA Vision) responds to the issues raised by:

Requiring the Waste Authority to:

- be independent and for its role be strengthened to provide coordination and leadership;
- develop Metropolitan wide Statutory Plans for waste management;
- require regional councils to develop Regional Delivery Plans (RDP) that are aligned to the Metropolitan wide Statutory Plans and which must be approved by the Waste Authority;
- be able to independently establish committees/groups of waste industry leaders to address supply issues on a Metropolitan wide scale. This is particularly important as the industry moves into major infrastructure projects (ie. Waste-to-Energy); and
- educate the broader community and standardise services, by legislation if required, to achieve sound environmental and cost effective infrastructure solutions.

Requiring regional councils to:

- Consolidate from 5 to 3 in number, with the boundaries of the new regional councils being determined once the new local government boundaries have been established.

In support of the WALGA Vision and the work already completed by the Waste Authority the MRC has developed an Infrastructure Options Assessment. This assessment is aimed at determining the region's needs for the next 20 years, in line with the Waste and Recycling Plan developed by the Strategic Waste Infrastructure Planning Working Group. It is acknowledged that this plan does not address the infrastructure needs of the Metropolitan Area, however Stage 2 of the Plan is to work with the other regional councils to determine the Metropolitan wide infrastructure needs based on their combined waste streams. The MRC considers that this work should be managed through the establishment of a committee/group by the Waste Authority as suggested above.

3.1 Local Government Waste Operations

b. Waste Group Membership

- i. In recent years individual local governments have withdrawn from Regional Councils in response to commitments to alternative waste treatment facilities.
 - ii. Unstable membership has an impact on the confidence of regional councils to make long term decisions.
 - iii. Local governments are not participating in all the projects being undertaken in their regional council reducing the effectiveness of planning and purchasing functions of the regional council.
 - iv. No new commitments to AWTs by regional councils in the last five years. It is likely that this is in response to the issues in i. to iii. above and the confirmation of the significant cost premium associated with mixed waste processing facilities.
 - v. Local government membership of waste groups is essential for long-term planning and investment decisions.
 - vi. Currently there is no mechanism to ensure that local government membership of waste management groups remain stable, which is a key issue for long term investment decisions.
 - vii. It is proposed to establish statutory waste group(s) with compulsory local government membership.
 - viii. Waste group(s) will be required to develop waste plans and operate in a manner that is consistent with the statutory State waste infrastructure plans and support achievements of Waste Strategy targets.
Waste groups would be limited to providing the coordination of procurement contracts for waste processing services and collections (if considered useful).
This approach addresses investment uncertainty and lack of capacity to commit from local governments and ensures that waste group(s) plans deliver services with the waste strategy and State waste infrastructure plans.
 - ix. Implementation of waste group(s) would require amendments to the WARR Act and potentially the Local Government Act 1995.
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MRC's Comment

The MRC agrees that unstable membership is an issue that impacts on regional councils' ability to consider and fund long term projects. This issue is addressed in the WALGA Vision where it recommends:

- Compulsory Local Government membership of regional councils.
- Reducing regional councils from 5 to 3 together with larger Local Governments addresses, in part, investment uncertainty. WALGA and regional councils have advocated for changes to the financial concepts of regional councils to allow them to borrow in their own right, preventing Local Governments from having to recognise any debt they covers as a contingent liability. This will allow regional councils to operate on a more independent and commercial basis.
- The establishment of a new bureaucracy (Waste Group(s)) is just a duplication of service. The MRC contends that this duplication is unnecessary and as described in its response above, it is already heading in the direction of procurement for its member councils and is strategically considering the Metropolitan waste management issues when it comes to major infrastructure solutions.
- The discussion paper is silent on how many Waste Group(s) are required in the Metropolitan area. The Victorian model, which the discussion paper is based on, has a single Waste Group for Melbourne's metropolitan area. The MRC contends that retaining the procurement of waste management infrastructure and services with regional councils, reduced in number from 5 to 3, provides a viable alternative. The regional councils would operate collectively on major infrastructure and service projects in collaboration with the Waste Authority in a newly formed committee/group set up by the Waste Authority. This would provide the ability to achieve economies of scale benefits for member councils, whilst retaining healthy competition in the private sector, ensuring long term competitiveness in the commercial waste industry.
- As previously stated, the Waste Authority can and should legislate to require regional councils to develop Regional Delivery Plans (RDP) that are aligned to the Metropolitan wide Statutory and Infrastructure Plans.
- The Rivers Regional Council has recently advertised a provision of waste service based tender for its members. This produced a strong industry response and has facilitated industry investing in a 400,000 tonne capacity waste to energy plant in Kwinana. Again this demonstrates that regional councils are continuing to procure effective waste solutions for their members.

3.1 Local Government Waste Operations

- c. Alignment of Waste Planning across Government
 - i. Experience in other jurisdictions highlights the benefits of aligning local (local government or regional) waste planning with State plans.
 - ii. Waste Group(s) have been introduced in Victoria and are currently being proposed in New South Wales.

iii. Compulsory membership of local government to waste group(s) provides certainty for long term planning and investment.

MRC's Comment

- These issues have been responded to above

WALGA consider that a response from Local Government is necessary and have set up a "Policy Forum" to focus on developing the association's submission on the WARR Act Review Discussion Paper and facilitating Local Government's input into the Review. The Forum's membership is made up of the President of WALGA, the Chair of the Municipal Waste Advisory Group (MWAC), Local Government Councillors and Officers, CEOs of regional councils and officers of WALGA.

On 28 January 2015 WALGA's response to the discussion paper was released for comment (*refer Appendix 8*). The response broadens the issues raised in the discussion paper that were up for comment. Areas such as the hypothecation of the landfill levy, extended producer responsibility, cash for containers schemes and the management of C&D and C&I waste.

The response includes 9 recommendations as follows:

Recommendation 1

That the State Government increases the hypothecation of funds raised through the WARR Levy to facilitate enhanced strategic waste management outcomes.

Recommendation 2

That the State Government use the provisions for Extended Producer responsibility contained within the WARR Act.

Recommendation 3

That the State Government introduce a Container Deposit Scheme in WA to reduce litter and aid the effective recycling of municipal solid waste.

Recommendation 4

That the State Government, as a matter of urgency, adopt a strategic waste infrastructure plan to inform and guide Local Government investment and decision-making.

Recommendation 5

That the State Government broadens the review of the WARR Act to ensure there is appropriate emphasis on the C&D and C&I waste streams.

Recommendation 6

That the State Government adopts appropriate governance changes to support the market development of C&D waste and effective engagement with C&I waste generators.

Recommendation 7

That the State Government establish an overarching Waste Management Group to guide and facilitate the implementation of the State Waste Strategy.

Recommendation 8

That the State Government establish Waste Groups for C&I and C&D wastes to facilitate greater engagement from these sectors and market development.

Recommendation 9

That the State Government facilitates the formation of three Regional Subsidiaries within the metropolitan area to undertake a range of regional functions.

The MRC's response concentrates on Recommendations 4 and 7 in line with the requirements of the Discussion Paper. However recommendation 9 seeking the creation of regional subsidiaries within the metropolitan area to replace regional councils is worthy of further discussion.

Regional subsidiaries currently sit outside the legislative framework. The State Parliament's Legislative Assembly is currently considering the inclusion of regional subsidiaries in the *Local Government Act 1995* in a Bill entitled the "*Local Government Legislation Amendment Bill 2014*". The Bill had its second reading in the Legislative Assembly on 11/27/2014. The Parliament's website provides a copy of the Local Government Act 1995 with the changes required to accommodate regional subsidiaries as follows:

“3.69. Regional subsidiaries

(1) Two or more local governments making arrangements under which they are to provide a service or carry on an activity jointly may, with the Minister's approval and in accordance with the regulations, form a subsidiary body (called a regional subsidiary) to provide that service or carry on that activity.

(2) If the Minister approves the formation of a regional subsidiary, the Minister must, by notice in the Gazette, declare that the regional subsidiary is established —

- (a) on the date set out in the notice; and*
- (b) under the name set out in the notice.*

(3) A regional subsidiary —

- (a) is a body corporate with perpetual succession and a common seal; and*
- (b) is to have a governing body consisting of members appointed in accordance with the regional subsidiary's charter (as approved by the Minister in accordance with section 3.70(3)).*

(4) Without limiting subsection (3)(b), a governing body may consist of or include members who are not council members or employees.

3.70. Regional subsidiaries to have charter

(1) Local governments proposing to form a regional subsidiary must prepare a charter addressing the following matters —

- (a) the establishment and powers and duties of the regional subsidiary;*
 - (b) the process for selecting and appointing members of the regional subsidiary's governing body;*
 - (c) the qualifications that members of the regional subsidiary's governing body must have;*
 - (d) the administration of the regional subsidiary, including the membership and procedures of its governing body, and the fees, allowances and expenses to be paid or reimbursed to the members of its governing body;*
 - (e) the financial management, planning, auditing and reporting to be undertaken by the regional subsidiary;*
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- (f) *the process for amending the charter;*
 - (g) *the winding up of the regional subsidiary;*
 - (h) *any other matters required by the regulations to be dealt with in a charter.*

(2) The local governments must forward the charter to the Minister when applying for approval for the formation of the regional subsidiary.

(3) A charter, and an amendment to a charter, are of no effect unless approved by the Minister.

3.71. Regulations about regional subsidiaries Regulations may —

- (a) regulate the procedure for applying to the Minister for approval for the formation of a regional subsidiary; and*
- (b) require the local governments proposing to form a regional subsidiary to consult with the community in their districts in accordance with the regulations; and*
- (c) provide that a specified provision of this Act applies in relation to a regional subsidiary subject to any prescribed or necessary modifications; and*
- (d) provide for or regulate any other matter that is necessary or convenient to be provided for or regulated in respect of a regional subsidiary.*

3.72. Other provisions and arrangements not affected

(1) Section 3.69 has effect in addition to the provisions of this Division relating to regional local governments, and does not derogate from those provisions.

(2) Nothing in section 3.69 prevents local governments from making arrangements under which —

- (a) a local government provides a service or carries on an activity for another local government; or*
- (b) local governments provide a service or carry on an activity jointly without forming a regional subsidiary.”*

If Legislated, Regional Subsidiaries could be a good alternative to Regional Councils as it would allow regional councils to operate on a more commercial basis with reduced Governance obligations and a combination of input from the Councillors of member councils and skill based representatives.

CONSULTATION

The Discussion Paper has been the subject of discussion at the Strategic Working Group.

LEGAL COMPLIANCE

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

COMMENT

The discussion paper is premised on the creation of waste groups to provide Local Government with procurement services primarily for waste infrastructure and, if helpful, collection services. This type of group has had success in the Metropolitan area of Victoria and, based on that success, has been expanded to regional areas of Victoria.

However it requires the creation of significant bureaucracy in that Metropolitan local governments are compelled to be members of the waste groups. The number of waste groups being proposed is not clear, but based on enquiries made to the DER there appears to be a preference for a single waste group across the Metropolitan area and Peel region, which again is similar to the Victorian model.

The MRC considers that regional councils, once reformed in line with the WLAGA reform model, will be well placed to provide the services required without the creation of a new bureaucracy that will add costs to local government through the requirement for compulsory membership. It would appear that the introduction of regional subsidiaries could also provide improvements to the current regional council models for management of waste by reducing bureaucracy and improving the governance model. However there are a number of issues that need to be established before recommending a move to this new structure and as such it is recommended that the administration continue to follow the legislative changes to accommodate regional subsidiaries and report back to council its findings.

VOTING REQUIREMENT

Simple Majority / Absolute Majority

Prior to moving the recommendation Cr Boothman requested an addition to clause 3 to include after the words 'provided on' the words 'the progress of the WARR Act and'. The Chairperson sought clarification from the responsible officer on the change and based on this discussion accepted the change as being minor and accepted its inclusion in the recommendation (highlighted below).

RESPONSIBLE OFFICER RECOMMENDATION

That the Council:

1. Support, in principle, the WALGA reform paper for regional councils entitled "Vision for Waste Management in the Metropolitan Area" as included in Appendix 7 of this agenda.
2. Respond to the Review of the WARR Act 2007 developed by the Department of Environment Regulations dated 1 December 2014 as per the response provided in the "Details" section of this report and the attached document entitled "A Response from the Mindarie Regional Council on the review of the Waste Avoidance and Resource Recovery Act 2007 Discussion Paper".
3. Be provided with a further report when more details are provided on **the progress of the WARR Act and** Regional Subsidiaries to enable an informed position to be taken on whether a move from being a regional council to a regional subsidiary is appropriate.

Cr Boothman moved, Cr Proud seconded

Cr Re requested that the recommendation be dealt with in three parts. The Chairperson accepted the request and presented each part separately.

RESOLVED

- 1. Support, in principle, the WALGA reform paper for regional councils entitled “Vision for Waste Management in the Metropolitan Area” as included in Appendix 7 of this agenda.**

CARRIED (6/2)

(For: Cr Fishwick, Cr Boothman, Cr Driver, Cr Hollywood, Cr Newton, And Cr Proud.

Against: Cr Re, Cr Withers)

- 2. Respond to the Review of the WARR Act 2007 developed by the Department of Environment Regulations dated 1 December 2014 as per the response provided in the “Details” section of this report and the attached document entitled “A Response from the Mindarie Regional Council on the review of the Waste Avoidance and Resource Recovery Act 2007 Discussion Paper”.**

CARRIED (6/2)

(For: Cr Fishwick, Cr Boothman, Cr Driver, Cr Hollywood, Cr Newton, And Cr Proud.

Against: Cr Re, Cr Withers)

- 3. Be provided with a further report when more details are provided on the progress of the WARR Act and Regional Subsidiaries to enable an informed position to be taken on whether a move from being a regional council to a regional subsidiary is appropriate.**

CARRIED UNANIMOUSLY (8/0)

ATTACHMENT 1

TO ITEM 9.6

ORDINARY COUNCIL MEETING

19 FEBRUARY 2015

**A RESPONSE FROM THE MINDARIE REGIONAL COUNCIL ON THE REVIEW OF THE
WASTE AVOIDANCE AND RESOURCE RECOVERY ACT 2007 DISCUSSION PAPER**



**A RESPONSE FROM
THE MINDARIE REGIONAL COUNCIL
ON THE REVIEW OF
THE WASTE AVOIDANCE AND
RESOURCE RECOVERY ACT 2007
DISCUSSION PAPER**

Discussion Paper Release Date: 1 December 2014
Public Submissions Due Date: 23 February 2015

The Government of Western Australia's Department of Environment Regulation released a Discussion Paper on the Review of the Waste Avoidance and Resource Recovery Act 2007 (the Act) with the intention of finalising, for the Minister for the Environment, a review of the Act to be tabled in both houses of Parliament within twelve months of the fifth anniversary of the Act.

The Terms of Reference of the review

To carry out a review of the operations and effectiveness of the Act with particular regard to its:

1. Effectiveness in meeting its objects; and
2. Alignment with Government waste management policy (ie the Waste Strategy)

The consultation being sought is only in those areas that warrant amendment of the Act identified in Part 3 of the Discussion Paper.

The following highlights the aspects of the Discussion Paper which are material to the response prepared by the Mindarie Regional Council (MRC).

Context to the Review

1. The reform of the Act should be considered as part of a broader agenda which may include the use of non-legislative measures.
2. The review of the Act provides an opportunity to consider the role of legislation and other reforms and measures to improve outcomes in the sector.

Background to the review

1. Western Australia will grow from a population of 1.93 million in the Perth and Peel regions to a population of 2.2 million by 2020 and 3.5 million by 2050.
 2. Waste generation in the Perth and Peel regions is currently around 5 million tonnes and is estimated to grow to 6 million tonnes by 2020 and 9.5 million tonnes when the population reaches 3.5 million around 2050.
 3. In 2012/13, approximately 39% of recoverable resources were extracted from the waste stream and 3.5 million tonnes was lost in landfill.
 4. In 2011/12, approximately 2 million tonnes of recyclable materials were landfilled.
 5. The value of these resources runs into hundreds of millions of dollars annually.
 6. An increase in the rate of diversion of waste from landfill would deliver significant economic and environmental benefits.
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7. Economically, diverting 1 million tonnes of waste per annum from landfill could create more than 600 jobs.
 8. Work undertaken by the Waste Authority indicates that over \$1 billion of industry investment could be achieved by 2020 from materials extracted from the waste stream. This investment will assist in achieving the waste diversion targets set in the Waste Strategy, despite waste diversion yields currently being well below the targets.
 9. The Government's decision to increase the landfill levy to \$70 per tonne by 2018/19 is expected to drive the market away from landfill to recycling. In addition, there may be a need to introduce other mechanisms which work in conjunction with the levy, particularly in the municipal sector, that consider a range of factors other than price, such as regulatory and community expectations and/or historical collaborations. The increase will also provide the Government with opportunities to reinvest in a range of waste related initiatives.
 10. The Government recognises the importance of improving the performance of the waste sector and a number of factors warrant an increased strategic leadership role being undertaken by the State, being:
 - Ongoing failure of current market-based and institutional arrangements to realise the full value of the resources lost to landfill;
 - Concern over siting new landfills off the Swan Coastal Plain to service the landfill needs of the Perth and Peel regions;
 - Systematic waste supply barriers to major private waste infrastructure projects;
 - The challenge of ensuring that planning for waste is integrated as a standard consideration in the state planning framework;
 - The need to ensure that landfill costs reflect the full long-term costs associated with the activity, and the loss of potential resources that occurs as a result;
 - Calls for changes to the regulatory system to allow for greater flexibility over which materials should attract the landfill levy; and
 - Ongoing viability in performance and efficiency of a number of local government collection and processing systems.
 11. As a result of the factors outlined above, potential reform issues include:
 - Increasing the relevant value of materials extracted from the waste stream (through, for example, improved source separation);
 - Establish landfill location options to avoid *ad hoc* siting of landfills, as environmental issues have precluded new putrescible landfills on the Swan Coastal Plain;
 - Stimulate the development of major new infrastructure investments, such as waste-to-energy facilities;
 - Identifying future waste infrastructure needs in State-level waste infrastructure plans;
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- Establish new regulatory frameworks for materials derived from waste that increase their ability to compete with and replace traditional products;
 - Improving the yield and cost-effectiveness of waste collection and processing systems and services; and
 - Reducing the fragmentation of waste services and increasing the coordination in communication activities aimed at householders and businesses.

The role of Government Bodies, Agencies and the Private Sector

1. State Government

- Primary focus is on the protection of human health.
- The introduction of the WARR Act 2007 increased the State Government's role in waste management by bringing together legislation in one act and through the establishment of the Waste Authority.

2. Waste Authority

- Created to develop strategic policy and planning to support the diversion of waste from landfill.
- Responsible for the implementation of policies, plans and programs to achieve an increase in waste diversion.
- To administer funds in the Waste Avoidance and Resource Recovery account for programs and priorities outlined in the waste strategy and business plan.
- Provide advice to the Minister.

3. Regional Councils

- To play a leading role in planning and coordinating waste disposal and processing at a local level, as they were well-placed to coordinate and procure waste services on behalf of local government (member councils) and achieve economies of scale through the process.
 - Effectiveness has diminished over time as:
 - i. their membership is voluntary creating uncertainty in long term planning and investment;
 - ii. their boundaries do not reflect the most efficient areas for waste services, limiting the efficiencies of waste collection, processing and disposal services;
 - iii. they are accountable to their member councils and are not well placed to respond to metropolitan or statewide requirements.
 - Have called on the State Government to provide more leadership by improving coordination of waste management services and providing greater investment certainty. It may be necessary to strengthen local waste planning requirements to give effect to State plans.
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4. Local Government

- Required to improve their efficiency and effectiveness to meet the waste diversion rates in the Waste Strategy and have similar issues to those of regional councils.

5. Private Sector

- Exposed to market forces which will drive competitive and efficient service delivery, especially in response to the recent increase in landfill levies.

WARR Act Reform Proposals

Part 3 of the Discussion Paper sets out the reform proposals that may require amendments to the Act. **It is this section regarding which comments are being sought.**

The issues raised and solutions offered in the Discussion Paper are introduced by number and illustrated in dot point. The MRC's response to the issues raised and proposed solutions are contained in a box following each part.

3.1 Local Government Waste Operations

- a. Performance and coordination of waste flows:
 - v. Vary considerably across Perth, don't take advantage of economies of scale and cannot coordinate significant supplies of waste at one time.
 - vi. Regional councils coordinate waste processing on behalf of Local Government. There is no formal mechanism to encourage service delivery aligned with State strategy; are predominantly financial rather than statutory.
 - vii. Existing regional council boundaries are not necessarily ideal to encourage waste collection, transport and processing, which leads to inefficiencies and lack of coordinated effort.
 - viii. There are opportunities to revise regional council boundaries to improve planning and service delivery. Currently there are no statutory processes to provide coordination between the areas.

MRC's Comment

It is acknowledged that there are limits on the capabilities of local government and regional councils in their current form to provide consistent services across Perth, reducing both environmental and fiscal benefits.

However, the reform processes for both local government and regional councils will address these issues without the need for the creation of new bureaucracy (Statutory Waste Groups). A reduced number of larger local governments, together with reformed regional councils, would be able to address the majority of the issues above.

The reform paper developed by the Western Australia Local Government Association entitled “Vision for Waste Management in the Metropolitan Area” (WALGA Vision) responds to the issues raised by:

Requiring the Waste Authority to:

- be independent and for its role be strengthened to provide coordination and leadership;
- develop Metropolitan wide Statutory Plans for waste management;
- require regional councils to develop Regional Delivery Plans (RDP) that are aligned to the Metropolitan wide Statutory Plans and which must be approved by the Waste Authority;
- be able to independently establish committees/groups of waste industry leaders to address supply issues on a Metropolitan wide scale. This is particularly important as the industry moves into major infrastructure projects (ie. Waste-to-Energy; and
- educate the broader community and standardise services, by legislation if required, to achieve sound environmental and cost effective infrastructure solutions.

Requiring regional councils to:

- Consolidate from 5 to 3 in number, with the boundaries of the new regional councils being determined once the new local government boundaries have been established.

In support of the WALGA Vision and the work already completed by the Waste Authority the MRC has developed an Infrastructure Options Assessment. This assessment is aimed at determining the region’s needs for the next 20 years, in line with the Waste and Recycling Plan developed by the Strategic Waste Infrastructure Planning Working Group. It is acknowledged that this plan does not address the infrastructure needs of the Metropolitan Area, however Stage 2 of the Plan is to work with the other regional councils to determine the Metropolitan wide infrastructure needs based on their combined waste streams. The MRC considers that this work should be managed through the establishment of a committee/group by the Waste Authority as suggested above.

3.1 Local Government Waste Operations

b. Waste Group Membership

- x. In recent years individual local governments have withdrawn from Regional Councils in response to commitments to alternative waste treatment facilities.
- xi. Unstable membership has an impact on the confidence of regional councils to make long term decisions.
- xii. Local governments are not participating in all the projects being undertaken in their regional council reducing the effectiveness of planning and purchasing functions of the regional council.

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- xiii. No new commitments to AWTs by regional councils in the last five years. It is likely that this is in response to the issues in i. to iii. above and the confirmation of the significant cost premium associated with mixed waste processing facilities.
 - xiv. Local government membership of waste groups is essential for long-term planning and investment decisions.
 - xv. Currently there is no mechanism to ensure that local government membership of waste management groups remain stable, which is a key issue for long term investment decisions.
 - xvi. It is proposed to establish statutory waste group(s) with compulsory local government membership.
 - xvii. Waste group(s) will be required to develop waste plans and operate in a manner that is consistent with the statutory State waste infrastructure plans and support achievements of Waste Strategy targets.
Waste groups would be limited to providing the coordination of procurement contracts for waste processing services and collections (if considered useful).
This approach addresses investment uncertainty and lack of capacity to commit from local governments and ensures that waste group(s) plans deliver services with the waste strategy and State waste infrastructure plans.
 - xviii. Implementation of waste group(s) would require amendments to the WARR Act and potentially the Local Government Act 1995.

MRC's Comment

The MRC agrees that unstable membership is an issue that impacts on regional councils' ability to consider and fund long term projects. This issue is addressed in the WALGA Vision where it recommends:

- Compulsory Local Government membership of regional councils.
 - Reducing regional councils from 5 to 3 together with larger Local Governments addresses, in part, investment uncertainty. WALGA and regional councils have advocated for changes to the financial concepts of regional councils to allow them to borrow in their own right, preventing Local Governments from having to recognise any debt they covers as a contingent liability. This will allow regional councils to operate on a more independent and commercial basis.
 - The establishment of a new bureaucracy (Waste Group(s)) is just a duplication of service. The MRC contends that this duplication is unnecessary and as described in its response above, it is already heading in the direction of procurement for its member councils and is strategically considering the Metropolitan waste management issues when it comes to major infrastructure solutions.
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- The discussion paper is silent on how many Waste Group(s) are required in the Metropolitan area. The Victorian model, which the discussion paper is based on, has a single Waste Group for Melbourne’s metropolitan area. The MRC contends that retaining the procurement of waste management infrastructure and services with regional councils, reduced in number from 5 to 3, provides a viable alternative. The regional councils would operate collectively on major infrastructure and service projects in collaboration with the Waste Authority in a newly formed committee/group set up by the Waste Authority. This would provide the ability to achieve economies of scale benefits for member councils, whilst retaining healthy competition in the private sector, ensuring long term competitiveness in the commercial waste industry.
- As previously stated, the Waste Authority can and should legislate to require regional councils to develop Regional Delivery Plans (RDP) that are aligned to the Metropolitan wide Statutory and Infrastructure Plans.
- The Rivers Regional Council has recently advertised a provision of waste service based tender for its members. This produced a strong industry response and has facilitated industry investing in a 400,000 tonne capacity waste to energy plant in Kwinana. Again this demonstrates that regional councils are continuing to procure effective waste solutions for their members.

3.1 Local Government Waste Operations

- c. Alignment of Waste Planning across Government
 - i. Experience in other jurisdictions highlights the benefits of aligning local (local government or regional) waste planning with State plans.
 - ii. Waste Group(s) have been introduced in Victoria and are currently being proposed in New South Wales.
 - iii. Compulsory membership of local government to waste group(s) provides certainty for long term planning and investment.

MRC’s Comment

- These questions have been responded to above

The MRC's Closing Comments

The MRC, the Forum of Regional Councils (FORC) and WALGA all agree that the interest the State Government is showing in Waste Management (considered by the bodies to be an essential service) is positive. Strengthening the Waste Authority's powers and providing it with more autonomy is also supported. The development of the State's Waste Strategy, the funding of the implementation of the strategies thereto and the increase in the landfill levy are all steps in the right direction.

The creation of Statutory Waste Group(s) for the sole purpose of procurement, where compulsory membership by Metropolitan Local Governments is required, is simply a duplication of services and questions the autonomy and decision making of Local Government and Regional Councils.

The reasons provided for the creation of the new group(s) in Metropolitan Perth are based on historical factors and do not consider the considerable body of work undertaken by WALGA, the FORC and the Waste Authority who were collectively involved in the creation of WALGA's Vision that addresses the historical issues.

WALGA's Vision has been publically and privately supported by both the Minister for the Environment and the Minister for Local Government.

The MRC would suggest that the Waste Authority and the Department of Environment Regulation work collaboratively with WALGA, the FORC and individual Regional Councils on promoting the WALGA Vision to the Ministers for the Environment and Local Government to determine the legislative changes required to implement the Vision. The changes in the Act should be aimed at strengthening the powers and increasing the autonomy of the Waste Authority to enable it to facilitate changes that support the WALGA Vision and the broader waste sector.

9.5	WESTERN METROPOLITAN REGIONAL COUNCIL – REQUEST FOR THE SUPPLY OF MUNICIPAL SOLID WASTE
File No:	WST/101-03
Appendix(s):	Nil
Date:	14 January 2015
Responsible Officer:	CEO

SUMMARY

The report seeks consideration of a request from the Western Metropolitan Regional Council (WMRC) for the supply of 18,500 tonnes of Municipal Solid Waste (MSW) to assist the WMRC in meeting its obligations to the supply obligations to the DiCOM Plant.

BACKGROUND

The WMRC approached the City of Stirling to supply 18,500 tonnes of waste to ensure that the WMRC can meet its supply obligations to the DiCOM Plant. Further to the discussions it was agreed between the WMRC, the City of Stirling and the Mindarie Regional Council (MRC) that any arrangement for the supply of waste should be brokered through the MRC.

On 14 January 2015 correspondence was received from the Chief Executive Officer of the WMRC advising that it was committed to supplying 33,000 tonnes of MSW to the DiCOM Plant, but that it can only source/supply 14,500 tonnes at this point in time. The correspondence goes on to seek assistance from the MRC for the supply of up to an additional 18,500 tonnes to enable it to meet its supply obligations to the DiCOM Facility. The details of the request are as follows:

- 1. The MRC commit 18,500 tonnes of MSW to the WMRC but with contractual flexibility to ensure MRC continues to meet its own RRF contractual obligations.*
- 2. The MRC and member Councils experience no financial loss that is at least revenue neutral. To achieve this the WMRC will:*
 - Charge a gate fee for MSW received equal to the MRC member gate fee for landfill. (Currently \$138.5/tonne)*
 - Deliver at least an equal tonnage of waste each month for disposal at the MRC landfill and pay the MRC member gate fee for landfill. The waste would consist of residual waste from the DiCOM plant and be topped up where required with waste that is not to be processed*
- 3. Price to be directly linked to the member gate fee or to annual CPI if this is greater.*

DETAIL

The request is reasonable and supportable, providing a strong message of cooperation between Regional Councils and member councils. Having the residues and unprocessed waste transported to Tamala Park makes the request cost neutral for the MRC and provides a benefit to the WMRC by enabling it to meet its requirements for the supply of the committed waste to the DiCOM Plant.

The WMRC will require a flexible arrangement for the supply of the waste initially to allow them to provide the committed tonnes to DiCOM through the plant's commissioning phase

and as it ramps up production. The City of Stirling is able to provide this flexibility and has acknowledged that it is capable of supplying the waste as required by the WMRC.

CONSULTATION

The MRC has consulted with the City of Stirling on the supply arrangements required to accommodate this request.

LEGAL COMPLIANCE

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The provision of waste to the WMRC as proposed is cost neutral for the MRC, as the same amount of waste will be returned to Tamala Park by the WMRC at a gate fee that will be the same value as the supply cost. To attain cost neutrality that covers the discount provided to the City of Stirling on the waste it delivers to the MRC an additional charge equal to 4.5% of the MRC's gate fee will be charged, alternatively the WMRC can provide to the MRC an additional 800 tonnes of waste on a pro rata basis to tonnes it has been provided by the MRC.

STRATEGIC/COMMUNITY AND CORPORATE/BUSINESS PLAN IMPLICATIONS

Strategic Community Plan 2013/14 - 2033/34	
Strategy 1.2	Review and improve collaboration between participating councils as primary stakeholders on matters associated with waste management
The collaboration between the MRC and the City of Stirling has produced an outcome of regional benefit and demonstrates that regional councils can consider assisting each other outside their regions	
Strategy 3.3	Identify opportunities for the MRC to participate in the operation of additional waste management ventures based on existing technologies
The provision of waste to the WMRC demonstrates that the MRC is willing to participate and assist other regional councils and get involved in other ventures.	

Corporate Business Plan 2013/14 – 2016/17	
Strategies Action 3.3.1	Collaborate with peer organisations with like facilities to benefit from each other's intellectual property or identify opportunities for shared projects
This agreement demonstrates the MRC's ability to collaborate with the WMRC and assist them in finding a solution for the challenges they are facing with their new resource recovery facility	

COMMENT

The provision of waste to the WMRC demonstrates that Regional Councils do not restrict their services to within their district. This form of agreement is aligned to the collaborative approach being sought by the Waste Authority to ensure that local governments, through their regional councils, can ensure that the supply of waste to this type of infrastructure is guaranteed and that financial penalties for non-supply of waste are averted.

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That the Council advise the WMRC that:

1. the MRC is prepared to supply up to 18,500 tonnes of MSW to the WMRC's DiCOM Plant for a 12 month period (the Term) at the MRC's members' rate at the time of supply (currently set at \$138.50 per tonne) subject to:
 - a) a supply arrangement being agreed by the parties (including the City of Stirling) prior to the agreement being finalised;
 - b) the WMRC supplying the MRC with the same amount of waste (in tonnes) that the MRC supplies to the WMRC's DiCOM Plant;
 - c) the waste supplied in 1.b) above be delivered to the Tamala Park Waste Facility at 1700 Marmion Avenue, Tamala Park, WA 6030 within 30 days of the date the MRC delivers its waste to the DiCOM Plant.
 - d) the WMRC agreeing to pay the MRC's members' per tonne gate fee for waste it delivers to the MRC in accordance with 1.b) and 1.c) above (currently set at \$138.50 per tonne), plus
 - i) an additional 4.5% of the MRC members gate fee; or
 - ii) the supply of 800 tonnes of waste (pro rata on the proportion of the 18,500 tonnes provided).
 - e) a legal agreement being developed to accommodate the arrangements.

2. advise the WMRC that the MRC would be willing to enter into discussions three (3) months prior to the expiration of the Term to consider any extension to the agreement and that any further Term will be the subject of further consideration by the Council.

RESOLVED

Cr Proud moved, Cr Boothman seconded
That the recommendation be adopted.

CARRIED UNANIMOUSLY (8/0)

9.6	REVIEW OF MRC STRATEGIC COMMUNITY PLAN 2013/14 – 2033/34
File No:	COR/2-04
Appendix(s):	Appendix 9. Mindarie Regional Council – Infrastructure Options Assessment
Date:	28 January 2015
Responsible Officer:	CEO

SUMMARY

This report establishes the basis for the commencement of a formal review of the Mindarie Regional Council's (MRC) current Strategic Community Plan (the Plan), which is to be formally reviewed every 4 years.

BACKGROUND

The current Strategic Community Plan 2013/14 – 2033/34 was adopted by Council at its meeting on 20 June 2013. The Executive Summary of the Plan reads in part as follows:-

“The Mindarie Regional Council is one of Western Australia’s largest waste management authorities assisting its member councils, mainly situated in Perth’s northern corridor, deal with their waste. The MRC recognises that waste does have a value as a resource and is committed to managing waste in line with the waste hierarchy and in a way sensitive to the environment and future generations.

The MRC’s Strategic Community Plan 2013/14 – 2033/34 ‘Winning Back Waste’, constitutes not only the consolidation of the MRC as a leader in the industry, but also hails a new direction. The Plan articulates a shared vision for waste management in the Region and shows how the MRC can deliver environmentally sustainable waste management for its communities.

Waste management is changing. Although landfilling is still seen as an important part of the industry, the focus is moving toward resource recovery and other higher order activities that minimise waste. The goal is to treat waste and offer solutions as high up on the waste hierarchy as practicable.

This Plan creates a new vision for the MRC, ‘Winning Back Waste’ and with this a focus in achieving improved waste outcomes for the region, which focus on:

- *Reducing the amount of waste being generated*
- *Increasing resource recovery*
- *Diversion from landfill”*

The Plan has been influential in determining the service and infrastructure needs of the MRC including:

- *the need to purchase land for a new landfill (report presented to Council detailing an opportunity to purchase land suitable for a landfill. Council determined not to proceed with negotiations for the purchase of the land);*
 - *the development of a new sorting shed (Council determined not to proceed with the project at the time to provide member councils an opportunity to review their operations);*
 - *improvements to the performance of the Resource Recovery Facility (RRF). The MRC together with BioVision researched the possible reuse of some of the residue*
-

from the RRF, which included the use of the coarse heavy residues in the process of sub-base for bitumen and roads and footpaths.

In further discussions with the member councils through the Strategic Working Group (SWG) it became apparent that there was further work required to determine the infrastructure needs of the region. The MRC had set aside funds in the 2014/15 Budget for the development of an 'Infrastructure Plan - Detailed Study' for the region. The development of the brief was conducted in conjunction with the SWG and was presented to Hyder Consulting for a quotation. Hyder were chosen as the preferred supplier as they had recently completed work with a number of the member councils and they are on the WALGA preferred supplier listing.

The final report developed by Hyder entitled '*Mindarie Regional Council Infrastructure Option Assessment*' was presented to the SWG where it was agreed that it was a significant body of work and that it would provide the member councils with guidance when they consider replacing existing infrastructure or developing new infrastructure. The Executive Summary of the Infrastructure Option Assessment reads as follows:

"Hyder has been engaged to provide an assessment of the most appropriate regional waste infrastructure approach for the members of the Mindarie Regional Council, in order to achieve the state government set waste diversion targets of 65% of municipal solid waste diverted from landfill by 2020. In order to fully assess the ideal approach for the members of the MRC, Hyder developed and modelled a number of infrastructure scenarios which are outlined in the table below:

Table 1 **General waste scenarios**

Scenario	Description
<i>Business as usual (BAU)</i>	<i>Existing arrangements regarding Neerabup Resource Recovery Facility (RRF) and landfill continue, with Stirling & Cambridge's garden organics (GO) sent to a separate compost facility, and residual waste from any processing is sent to landfill</i>
<i>Scenario 1 2 bin system, second MBT</i>	<i>Collection systems as in BAU, all general waste goes to mechanical biological treatment (MBT) – either Neerabup RRF or a second MBT, only residuals from the MBT's go to landfill</i>
<i>Scenario 2 2 bin, EfW</i>	<i>Collection systems as in BAU, existing flows of general waste to Neerabup RRF continue and remainder goes to an energy from waste (EfW) facility (including bulk waste, MBT and MRF residuals)</i>
<i>Scenario 3 - 3 bin – residual to Neerabup, GO separately</i>	<i>All councils implement a greenwaste bin, with collected material open-windrow composted. All general waste would be processed via Neerabup RRF. Remaining material would go to landfill.</i>
<i>Scenario 4 3 bin – residual to LF</i>	<i>All councils have a third bin, Stirling for greenwaste only, all other councils collect all organics (including garden, food, nappies, contaminated paper etc) in the third bin for processing at Neerabup RRF and residuals go to landfill.</i>

Scenario	Description
Scenario 5 3 bin residuals to EfW	All councils have a third bin, Stirling greenwaste only, all other councils collect all organics (including garden, food, nappies, contaminated paper, etc) in the third bin to be processed at Neerabup RRF with all residuals to energy from waste (including bulk waste and MRF residuals)

The modelling is dependent on a range of assumptions including costs and performance data on council collection systems; population projections for each council; waste generation projections; types of waste processing facilities and diversion performance; facility locations; assumed typical gate fees for various types of processing facilities; costs of new equipment and services; as well as price inflation and landfill levy increases. Hyder has used actual data where it was available from member councils, supplemented by typical industry data. Where such assumptions have been made, they are outlined in the report. The modelling scenarios and assumptions were discussed and reviewed at the MRC Strategic Working Group meetings.

Evaluation process

To determine preferred scenarios, a multi-criteria assessment (MCA) was undertaken using environmental impacts, cost, social impacts and risks as the key criteria. Each member council was asked to separately nominate their preferred weightings for the criteria. The average of the weightings was applied to rank the scenarios. The cost impact (measured as cost per household), and environmental impact (primarily based on diversion performance) were the most heavily weighted criteria.

The multi-criteria assessment showed that the business as usual case was the least desirable, even though it has the lowest cost per household. The poor environmental performance (diversion) proved to be a key differentiator and as such the BAU Scenario was not considered for further modelling. The scenario of 2 bins with a second mechanical biological treatment facility (Scenario 1) was considered by members to be politically unsuitable and was therefore also discounted from further consideration.

Whilst the 3-bin option (Scenario 3), with all organics collected separately and residuals to landfill also scored poorly due to its low diversion performance, it had a low implementation cost given the limited requirement for infrastructure spending. Only two of the scenarios, being Scenario 2 and 5, are likely to deliver the diversion targets by 2022 and these options scored highly in the MCA. Both scenarios include the development of EfW infrastructure to recover energy from the residual waste stream. With increased recovery of recyclables or bulk waste scenarios 3 and 4 would come close to 60% diversion, but would be unlikely to reach the 65% state government diversion target. Therefore three scenarios – Scenario 2, 3 and 5 - were included for further modelling in the Stage 2 multi-criterial analysis.

Stage 2 of the modelling aimed to determine the most suitable sites based on transport implications for the region. The transport options were overlayed against the original modelling to provide an additional level of assessment of the preferred scenarios for the region. The main differences in the Stage 2 analysis were the modified cost impacts (per household, due to differences in the transport costs for key facilities), while the social impact and risk ratings were also adjusted based on issues related to the specific sites. Social considerations included likelihood of residential encroachment on the site and resident concerns about odour, traffic congestion, noise and perceptions of EfW

technologies. Risk considerations included issues such as whether the proposed site is already a waste facility, the approval and development status for facilities and particular sites, and reliable access to markets (e.g. power).

Preferred scenarios

The modelling has identified scenario 2C (2 bin, energy from waste) as the preferred scenario based on the agreed criteria, however it was closely followed by 5C (3 bin, energy from waste). In either case, significant new EfW capacity is required, although the EfW capacity requirement is slightly higher under a 2-bin model. The analysis did not consider the impact of potential future state government policy, which currently favours but does not mandate three bin collection systems. Implementing a third bin requires additional community engagement and a slightly higher cost, however it is better aligned with the waste hierarchy and state government policy. In developing and procuring new waste infrastructure, the members of the MRC should consider the potential for 3 bin systems to be mandated in the future, such as through the current review of the Waste and Resource Recovery Act. If a three bin system was agreed to, a policy could be established for high density areas such as City of Perth and large parts of the Town of Victoria Park and City of Vincent to opt-in to a third bin service as appropriate.

As a result of the modelling, the preferred scenario resulted in the following (see Table 2) recommended facilities and preferred locations.

Final locations, ownership arrangements, operating models and procurement methods will need to be evaluated on a case-by-case for each infrastructure project. This provides an opportunity for the MRC or its member councils to deliver the land, infrastructure and processing services where it is most beneficial to do so, or to outsource to the market where it is most efficient to do so.

Table 2 Recommended infrastructure and preferred locations

<i>Processing facility</i>	<i>Capacity required</i>	<i>Preferred location</i>
<i>Landfill</i>	<i>74,000 tpa (existing)</i>	<i>Tamala Park</i>
<i>Mechanical biological treatment</i>	<i>100,000 tpa (existing)</i>	<i>Neerabup</i>
<i>Materials recovery facility</i>	<i>100,000 tpa</i>	<i>Neerabup</i>
<i>Transfer station</i>	<i>300,000 tpa</i>	<i>Balcatta</i>
<i>Green waste processing facility (open windrow)</i>	<i>35,000 tpa</i>	<i>Neerabup</i>
<i>Bulk waste sorting shed</i>	<i>40,000 tpa</i>	<i>Balcatta</i>
<i>Waste to energy facility</i>	<i>250,000 tpa</i>	<i>TBC – market to determine</i>

The state government has implemented a policy that is broadly supportive of EfW in the context of the waste hierarchy. Therefore additional waste diversion opportunities have been considered to determine the feasibility of maximising recovery prior to EfW treatment.

Currently each council offers a scheduled bulk waste collection from the vergeside. Some councils are considering an on-call service, either with or without provision of a skip bin. If an on-call bulk waste service is introduced it can be expected to significantly reduce the amount of bulk waste collected (based on performance of similar systems). In addition the waste could continue to be landfilled, or be subjected to enhanced recovery by either kerbside separation or processing in a sorting shed. The additional contribution to the overall diversion rate is likely to vary from 0.8% - 3.4% depending on the option selected.

The majority of member councils could improve their recycling recovery through improved education and bin monitoring. It is estimated that improvements in kerbside recycling could increase recovery by 1-3% for the region. However this additional recovery requires intensive effort and additional cost to engage further with the community.

Recommendations

As a result of the modelling it is recommended that the MRC and its member councils:

- 1 Agree on a broad waste infrastructure direction as outlined in the infrastructure plan, and seek endorsement of the plan from their respective councils.*
- 2 Agree to commence discussions regarding the preliminary work required to develop the appropriate business plans and procurement options for each infrastructure project.*
- 3 Agree to the actions outlined in this plan when infrastructure solutions are being considered by the MRC or its member councils, which includes bringing any proposed infrastructure solutions which may impact on the region to the attention of both the MRC and the Strategic Working Group.*
- 4 Agree to support the MRC pursuing regular kerbside waste audits to inform the regional waste strategy and monitor progress on system changes.”*

DETAIL

The MRC held a strategy workshop on 22 January 2015 where the MRC councillors, member council CEOs and executive staff were in attendance. The Hyder report was a major component of the discussion at the workshop. The workshop sought to get commitment on three outcomes being:

- 1. Seek endorsement of the Regional Waste Infrastructure Plan by the MRC and eventually by its constituent member councils;**
2. Reach consensus on the service provision model for the MRC going forward; and
3. Endorse an MRC position to responses to the WARR Act.

Outcome 1 above (bolded) is the subject of this report and in pursuing this endorsement, it is proposed to make recommendations in line with the Hyder report.

The development of a regional infrastructure plan is consistent with the forward planning of the Waste Authority in that it looks to ensure that infrastructure is designed to accommodate the needs of the region, not just one single council.

CONSULTATION

The SWG have been consulted as to the scope of the report and assisted in drafting the brief for the infrastructure plan, as well as reviewing the final draft of the report.

LEGAL COMPLIANCE

The development or an amendment to the Strategic Community Plan is a requirement of the Local Government Act 1995 and the Local Government (Administration) Regulations 1996. The following are extracts from the aforementioned legislation as it relates to this report.

Extract from the *Local Government Act 1995*

“5.56. Planning for the future

- (1) A local government is to plan for the future of the district.*
- (2) A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.”*

Extract from the *Local Government (Administration) Regulations 1996*

“19C. Strategic community plans, requirements for (Act s. 5.56)

- (1) A local government is to ensure that a strategic community plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.*
 - (2) A strategic community plan for a district is to cover the period specified in the plan, which is to be at least 10 financial years.*
 - (3) A strategic community plan for a district is to set out the vision, aspirations and objectives of the community in the district.*
 - (4) A local government is to review the current strategic community plan for its district at least once every 4 years.*
 - (5) In making or reviewing a strategic community plan, a local government is to have regard to —*
 - (a) the capacity of its current resources and the anticipated capacity of its future resources; and*
 - (b) strategic performance indicators and the ways of measuring its strategic performance by the application of those indicators; and*
 - (c) demographic trends.*
 - (6) Subject to subregulation (9), a local government may modify its strategic community plan, including extending the period the plan is made in respect of.*
 - (7) A council is to consider a strategic community plan, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.*

**Absolute majority required.*
 - (8) If a strategic community plan is, or modifications of a strategic community plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.*
 - (9) A local government is to ensure that the electors and ratepayers of its district are consulted during the development of a strategic community plan and when preparing modifications of a strategic community plan.*
 - (10) A strategic community plan for a district is to contain a description of the involvement of the electors and ratepayers of the district in the development of the plan or the preparation of modifications of the plan.”*
-

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil.

Each of the proposed infrastructure projects will be evaluated on a case-by-case basis. This will include an assessment of the optimal procurement strategy, ownership model and facility location for each of the proposed pieces of infrastructure.

Each project will be delivered in the manner which provides the most efficient and economic outcome for member councils.

STRATEGIC/COMMUNITY AND CORPORATE/BUSINESS PLAN IMPLICATIONS

Strategic Community Plan 2013/14 - 2033/34	
Strategy 1.2	Improve collaboration between participating councils as primary stakeholders on matters associated with waste management
Strategy 1.3	Manage and acquire suitable assets to achieve an optimal mix of waste management solutions
Strategy 2.2	Continually assess and utilise the best appropriate waste management solutions
Strategy 3.1	Identify and adopt improved approaches to waste minimisation, resource recovery and the associated community engagement
Strategy 3.2	Develop an integrated regional plan for waste management
<p>The development of the Infrastructure Options Assessment report presents a significant step forward in the strategic thinking of both the MRC and the wider region.</p> <p>It provides clear thought leadership on the infrastructure solutions required to effectively manage the region's waste into the future while achieving market leading waste diversion rates.</p>	

Corporate Business Plan 2013/14 – 2016/17		
	Actions	Responsible Officer
Strategy 3.2.1	Work with the Strategic Working Group to develop an integrated regional plan	CEO
Strategy 3.2.2	Engage with stakeholder groups to determine their needs and industry trends	CEO
<p>Extensive consultation has taken place with the SWG, Hyder and industry players in developing the Infrastructure Options Assessment report.</p>		

COMMENT

The Infrastructure Options Assessment report clearly indicates that there is broad support among member councils to pursue the Waste Authority's target of diverting 65% of Municipal Solid Waste from landfill by 2020 in a cost effective, efficient manner.

The only practical way to achieve the 65% target is through the construction of waste processing infrastructure. Waste processing infrastructure provides its best returns when it is constructed for sufficiently large quantities of waste.

As a result, in order to achieve the best financial outcomes, it is beneficial for member councils to work together to aggregate their waste and construct infrastructure capable of meeting the needs of the region – or even the wider metropolitan region - rather than individual councils acting independently.

The options report provides guidance as to the size and type of waste infrastructure that is required to deal with the region's waste. As such, it provides a useful point of reference point for member councils when they are planning their future waste infrastructure projects and they should be strongly encouraged to work collaboratively to deal with waste on a regional or even metropolitan wide basis, using the report as a reference document.

VOTING REQUIREMENT

Simple Majority / Absolute Majority

RESPONSIBLE OFFICER RECOMMENDATION

That the Council:

- 1. Endorse the Infrastructure Options Assessment report prepared by Hyder.**
- 2. Utilise the Infrastructure Options Assessment report in formalising the review of the Strategic Community Plan 2013/14 – 2033/34.**
- 3. Inform the member councils of the Council's decision in 1 and 2 above and request that each of the member councils adopt the Infrastructure Options Assessment report as a reference document for when, either individually or collectively, member councils consider upgrading/replacing current waste infrastructure or introducing new waste infrastructure.**
- 4. In addition to 3 above, request member councils to commit to bringing any plans to upgrade/replace current waste infrastructure or to introduce new waste infrastructure to the attention of the both the MRC and the Strategic Working Group.**
- 5. Agree in principle to the MRC pursuing regular kerbside waste audits to inform the regional waste strategy and monitor progress on system changes.**

RESOLVED

Cr Re moved, Cr Hollywood seconded

That the recommendation be adopted.

CARRIED (7/1)

(For: Cr Fishwick, Cr Boothman, Cr Driver, Cr Hollywood, Cr Newton, Cr Proud, Cr Re.

Against: Cr Withers)

9.7	ADOPTION OF 2014 ANNUAL COMPLIANCE RETURN
File No:	COR/12-04
Appendix(s):	Appendix 10
Date:	5 February 2015
Responsible Officer:	Gunther Hoppe

SUMMARY

The purpose of this report is to provide Council with information on the completed Compliance Audit Return (1 January 2014 – 31 December 2014).

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. No areas of non-compliance were recorded in the Return.

The Audit was placed on the agenda for the Audit Committee meeting on 5 February 2015.

DETAIL

The Audit Committee at its meeting on 5 February 2015 considered the Return and resolved the following:

“That the Audit Committee endorse the Compliance Audit Return as amended, for the year 1 January 2014 to 31 December 2014.”

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 2014 Annual Compliance Audit Return as amended and endorsed by the Audit Committee at its meeting held on 5 February 2015.
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 2015.

RESOLVED

Cr Fishwick moved, Cr Boothman seconded
That the recommendation be adopted.

CARRIED UNANIMOUSLY (8/0)

10 MEMBERS INFORMATION BULLETIN – ISSUE NO. 21

RESPONSIBLE OFFICER RECOMMENDATION

That the Members Information Bulletin Issue No. 21 be received.

RESOLVED

Cr Proud moved, Cr Newton seconded

That the recommendation be adopted.

CARRIED UNANIMOUSLY (8/0)

11 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

12 URGENT BUSINESS

Cr Re moved, Cr Withers seconded

MOTION

That Council writes to the Minister for Environment and request that the closing date of 23 February 2015 be moved to a later date in regards to the Local Government Reform.

CARRIED UNANIMOUSLY (8/0)

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 Chairperson requested that in accordance with clause 7.9(3) of the Mindarie Regional Council Standing Orders Local Law 2010 and s5.23 of the Local Government Act 1995, Council proceed to meet “behind closed doors” to allow the Council to consider Confidential Items 14.1, 14.2 and 1.43 of this agenda as Council's decision may result in a contract being entered into.

Cr Proud moved, Cr Hollywood seconded

CARRIED UNANIMOUSLY (8/0)

No visitors in attendance. Member Council Officers and MRC staff was invited to stay. Doors were closed at 6.05pm.

14.1	TENDER OUTCOME – SIDE SLOPE SURFACE PREPARATION AND INSTALLATION OF GEOSYNTHETIC LINER
File No:	WST/206
Appendix(s):	Nil
Date:	29 January 2015
Responsible Officer:	CEO

RESPONSIBLE OFFICER RECOMMENDATION

That:

- 1. Ertech Pty Ltd be awarded the tender, at a value of \$1,311,953.64 excluding GST, for the Geosynthetic lining to stage 2 phase 3 of the landfill at Tamala Park.**
- 2. Funds of \$90,000 excluding GST be set aside for a Project Superintendent and supervision of the project.**
- 3. A Contingency of 8% of the awarded tender price, being \$105,000 be set aside for the project.**
- 4. The use of the contingency detailed in (3) above be delegated to the Chief Executive Officer.**
- 5. The Tender Value, Project Superintendent/Supervisor's Costs and Contingency Sum totalling \$1,507,000 be funded from the 2014/15 budget as follows:**
 - the outstanding funds (borrowings) for the clay lining project (\$1,400,000); and**
 - Consultancy for New Landfill Development (\$107,000).**

(Absolute Majority Required)

RESOLVED

**Cr Re moved, Cr Proud seconded
That the recommendation be adopted.**

CARRIED UNANIMOUSLY (8/0)

NOTE: The Chief Executive Officer has NOT released Report 14.1 for Public information as Councils decision may result in a contract being entered into.

14.2	RESOURCE RECOVERY FACILITY – REQUEST FROM BIOVISION TO INCREASE MAINTENANCE COSTS
File No:	WST/147-04
Appendix(s):	Nil
Date:	27 January 2015
Responsible Officer:	CEO

That the Council:

- 1. Advise BioVision/SITA that:**
 - a. after due consideration, the MRC cannot accept the solution presented by BioVision in correspondence dated 27 October 2014 and that any claim for an increase in the Fee as defined in the Resource Recovery Facility Agreement for maintenance of the facility would need to be presented in the form required by the Agreement as indicated in correspondence from the MRC dated 25 February 2014; and**
 - b. the MRC would consider, on a case by case basis, any capital improvement promoted by BioVision/SITA that enhanced the efficiency/performance of the facility and may offer, where appropriate:**
 - i. relief from the default provisions contained in the Resource Recovery Facility Agreement with or without conditions;**
 - ii. retention of all, or a greater share, of the financial benefits gained as a result of the capital improvements to the facility once realised; and**
 - iii. formalise the changes required through an appropriate legal instrument.**
- 2. Thank BioVision/SITA for the manner in which they have conducted themselves throughout the “without prejudice” negotiations.**

RESOLVED

**Cr Newton moved, Cr Boothman seconded
That the recommendation be adopted.**

CARRIED UNANIMOUSLY (8/0)

NOTE: The Chief Executive Officer has NOT released Report 14.2 for Public information as the report contains legal advice from a solicitor.

14.3	APPOINTMENT OF EXTERNAL AUDITORS
File No:	FIN/135
Attachment(s):	Attachment 1
Date:	5 February 2015
Responsible Officer:	Director Corporate Services

AUDIT COMMITTEE RECOMMENDATION

That Macri Partners be appointed as the Mindarie Regional Council’s external auditors for a period of 3 years, commencing on 1 July 2014.

(Absolute Majority Required)

RESOLVED

**Cr Fishwick moved, Cr Boothman seconded
That the recommendation be adopted.**

CARRIED UNANIMOUSLY (8/0)

NOTE: The Chief Executive Officer has NOT released Report 14.3 for Public information as Councils decision may result in a contract being entered into.

The Chairperson sought that the meeting be reopened.

Cr Proud moved, Cr Hollywood seconded

CARRIED UNANIMOUSLY (8/0)

The meeting was reopened at 6.17pm.

The resolution and the votes, made behind closed doors, of the Council Item 14.1, 14.2 and 14.3 as detailed above were taken as being read.

15 NEXT MEETING

Next meeting to be held on Thursday 23 April 2015 in the Council Chambers at City of Wanneroo commencing at 5.30pm

16 CLOSURE

The Chair closed the meeting at 6.18pm and thanked the City of Joondalup for their hospitality and use of their meeting facilities.

These Minutes were confirmed by the Council as a true and accurate record of the Ordinary Meeting of the Council held on 19 February 2015.

Signed Chairman

Dated this day of 2015
