



AGENDA

ORDINARY COUNCIL MEETING

TIME: 6.00 PM

22 MARCH 2018

CITY OF WANNEROO

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



**MINDARIE REGIONAL COUNCIL
NOTICE OF MEETING**

22 March 2018

Councillors of the Mindarie Regional Council are advised that an Ordinary Meeting of the Council will be held in the Council Chambers of the City of Wanneroo, 23 Dundobar Road at 6.00 pm on 22 March 2018.

The agenda pertaining to the meeting follows.

Your attendance is respectfully requested.


GUNTHER HOPPE
ACTING CHIEF EXECUTIVE OFFICER

MINDARIE REGIONAL COUNCIL - MEMBERSHIP

Cr R Fishwick JP (Russ) - Chair	City of Joondalup
Cr D Boothman JP (David) – Deputy Chair	City of Stirling
Cr M Norman (Mike)	City of Joondalup
<i>To be confirmed</i>	City of Perth
Cr A Guilfoyle (Andrew)	City of Stirling
Cr K Sargent (Keith)	City of Stirling
Cr S Proud JP (Stephanie)	City of Stirling
Cr E Cole (Emma)	City of Vincent
Cr R Driver (Russell)	City of Wanneroo
Cr F Cvitan JP (Frank)	City of Wanneroo
Cr K Shannon (Keri)	Town of Cambridge
Cr K Vernon (Karen)	Town of Victoria Park

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

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1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

2 ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

3 DECLARATION OF INTERESTS

Declaration of Financial/Conflict of Interest to be recorded prior to dealing with each item.

Disclosure of Financial and Proximity Interests

- (a) *Members must disclose the nature of their interest in matters to be discussed at the meeting. (Section 5.65 of the Local Government Act 1995).*
- (b) *Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Sections 5.70 and 5.71 of the Local Government Act 1995).*

Disclosure of Interest Affecting Impartiality

- (a) *Members and staff must disclose their interest in matters to be discussed at the meeting in respect of which the member or employee has given or will give advice.*

4 PUBLIC QUESTION TIME

5 ANNOUNCEMENTS BY THE PRESIDING PERSON

6 APPLICATIONS FOR LEAVE OF ABSENCE

7 PETITIONS / DEPUTATIONS / PRESENTATIONS

8 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

8.1 ORDINARY COUNCIL MEETING – 25 January 2018

The Minutes of the Ordinary Council Meeting held on 25 January 2018 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 25 January 2018 be confirmed as a true record of the proceedings.

9 CHIEF EXECUTIVE OFFICER REPORTS
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9.1	FINANCIAL STATEMENTS FOR THE MONTHS ENDED 31 DECEMBER 2017 AND 31 JANUARY 2018
File No:	FIN/5-07
Appendix(s):	Appendix No. 1 Appendix No. 2 Appendix No. 3
Date:	22 February 2018
Responsible Officer:	Acting Director Corporate Services

SUMMARY

The purpose of this report is to provide financial reporting in line with statutory requirements which provides useful information to stakeholders of the Council.

BACKGROUND

Reporting requirements are defined by Financial Management Regulations 34 of the Local Government (Financial Management) Regulations 1996.

The financial statements presented for each month consist of:

- Operating Statement by Nature – Combined
- Operating Statement by Nature – RRF Only
- Operating Statement by Function
- Statement of Financial Activity
- Statement of Reserves
- Statement of Financial Position
- Statement of Investing Activities
- Information on Borrowings
- Tonnage Report

DETAIL

The Financial Statements are for the months ended 31 December 2017 and 31 January 2018 and are attached at **Appendix No. 1 and 2** to this Item. The Tonnage Report for the 7 months to 31 January 2018 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 seven month period ended 31 January 2018

	Actual	Budget	Variance
	t	t	t
Tonnes – Members	161,394	180,806	(19,412)
Tonnes – Others	9,786	10,301	(515)
TOTAL TONNES	171,180	191,107	(19,927)
	\$	\$	\$
Revenue – Members	28,031,573	31,433,627	(3,402,054)
Revenue – Other	3,265,604	2,914,229	351,375
TOTAL REVENUE	31,297,177	34,347,856	(3,050,679)
Expenses	31,208,213	32,600,785	1,392,571
Profit on sale of assets	8,585	-	8,585
Loss on sale of assets	-	-	-
NET SURPLUS	97,549	1,747,071	(1,649,523)

Commentary

Member tonnes for the year to January 2018 are tracking 10.7% behind budget, which is directly attributable to the change in systems for bulk/verge collection implemented by various councils. Trade and casuals are 515 tonnes behind budget.

The net variance to budget of \$1,649,523 reflects this reduction in tonnage and RRF operating expenditures, offset by tonnage related expenditure (DWER Levy).

This reduction in waste to landfill is consistent with the MRC's vision of 'Winning Back Waste' but will over time see the cost per tonne to landfill for the remaining waste increasing proportionally.

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That the Financial Statements set out in Appendix No. 1 and 2 for the months ended 31 December 2017 and 31 January 2018 are received.

9.2	LIST OF PAYMENTS MADE FOR THE MONTHS ENDED 31 DECEMBER 2017 AND 31 JANUARY 2018
File No:	FIN/5-06
Appendix(s):	Appendix No. 4 Appendix No. 5
Date:	22 February 2018
Responsible Officer:	Acting Director Corporate Services

SUMMARY

The purpose of this report is to provide details of payments made during the periods identified. This is in line with the requirement under the delegated authority to the Chief Executive Officer (CEO), that a list of payments made from the Municipal Fund since the last Ordinary Council meeting be presented to Council.

COMMENT

The lists of payments for the months ended 31 December 2017 and 31 January 2018 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 14 September 2017, the Council delegated to the CEO the exercise of its power to make payments from the Municipal Fund. In order to satisfy the requirements of Clause 13(2) of the Local Government (Financial Management) Regulations, a list of payments made must be submitted to the next Council meeting following such payments.

It should be noted that generally all payments are GST inclusive and the Mindarie Regional Council is able to claim this tax as an input credit when GST remittances are made each month to the Australian Tax Office.

Months Ended	Account	Vouchers	Amount
31 December 2017	General Municipal	Cheques	\$21,017.07
		EFT	\$2,798,964.30
		DP	\$276,839.18
		Inter account transfers	\$1,200,000.00
		Total	\$4,296,820.55
31 January 2018	General Municipal	Cheques	\$5,581.03
		EFT	\$6,337,453.89
		DP	\$282,582.58
		Inter account transfers	\$4,900,000.00
		Total	\$11,525,617.50

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That the list of payments made under delegated authority to the Chief Executive Officer for the months ended 31 December 2017 and 31 January 2018 be noted.

9.3	WESTERN METROPOLITAN REGIONAL COUNCIL – REQUEST FOR AN EXTENSION TO THE AGREEMENT FOR THE SUPPLY OF MUNICIPAL SOLID WASTE
File No:	WST/101-03
Appendix(s):	Appendix No 6
Date:	6 March 2018
Responsible Officer:	A/Chief Executive Officer

SUMMARY

The report seeks consideration of a request from the Western Metropolitan Regional Council (WMRC) to extend an agreement previously provided by the Mindarie Regional Council (MRC) for the supply of 18,500 tonnes of Municipal Solid Waste (MSW) to assist the WMRC in meeting its contract obligations to supply MSW to the DiCOM Plant and increase the tonnage commitment from 18,500 to 24,000 tonnes.

BACKGROUND

On 14 January 2015 correspondence was received from the Chief Executive Officer of the WMRC requesting that the MRC make 18,500 tonnes of MSW available to help the WMRC meet its supply obligations to the DiComPlant.

The WMRC advised that it was committed to supplying 33,000 tonnes of MSW to the Plant, but that it could only source/supply 14,500 tonnes from its own councils. The correspondence went on to seek assistance from the MRC for the supply of up to an additional 18,500 tonnes to enable the WMRC to meet its supply obligations to the Plant.

The details of the request were 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 its member Councils experience no financial loss, that is the agreement is at least revenue neutral to the MRC. To achieve this the WMRC will:*
 - Charge a gate fee for MSW received equal to the MRC member gate fee for landfill.*
 - 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 Plant and be topped up where required with waste that is not processed*
- 3. Price to be directly linked to the member gate fee or to annual CPI if this is greater.*

The MRC at its meeting on 19 February 2015 considered the request and resolved to enter in a deed with the EMRC, which would facilitate the proposed swap of tonnes. A deed was duly drafted by the MRC's solicitors, Castledine Gregory and signed by both parties on 26 June 2015.

On 29 March 2016 the A/CEO of the WMRC requested a 12 month extension to the agreement between the WMRC and the MRC for the supply of 18,500 tonnes of MSW per annum.

There had been a number of issues that prevented the Plant from being commissioned, thus preventing the plant from going into full production. As a result, the waste supply anticipated in the previous agreement was not called upon by the WMRC.

In response to this request, at its ordinary council meeting of 14 April 2016, the MRC granted an extension to the term of the agreement with the WMRC for a further twelve (12) months until 26 June 2017, on the same terms and conditions as before, except for the addition of a requirement for the WMRC to use its best endeavours to facilitate a 20 minute turnaround time for trucks delivering waste from the MRC.

The amended deed was executed by both parties on 4 October 2016.

In April 2017, the WMRC requested a further 12 month extension to the agreement between the WMRC and the MRC for the supply of 18,500 tonnes of MSW.

The requested extension to the term of the agreement with the WMRC was for a further twelve (12) months until 26 June 2018.

At its July 2017 Council meeting, the MRC resolved to grant the requested extension and the amended agreement was duly executed on 12 July 2017.

DETAIL

An insignificant portion of the waste contemplated in the second contract extension has been called on during the current year (115 tonnes). In February 2019, the WMRC has requested a further 12 month extension to the agreement between the WMRC and the MRC for the continued supply of MSW, but with an increase from 18,500 tonnes to 24,000 tonnes.

The requested extension to the term of the agreement with the WMRC would be for a further twelve (12) months until 30 June 2019.

The request for this third extension is supportable as it is 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 Plant. The commitment of this waste does not negatively impact on any of the MRC's other existing supply obligations. This continues to provide a positive example of how regional councils can work together to achieve good waste outcomes in the Perth Metropolitan area.

CONSULTATION

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

LEGAL COMPLIANCE

The request for a 12 month extension from the WMRC for the increased supply of waste of 24,000 tonnes, if approved by the MRC, will require minor amendment of the “Deed regarding the delivery of waste” (the Deed) entered into in by the MRC and WMRC, as with the last extension.

The amendments will require:

1. The deletion of “18,500” and replacing it with “24,000” in Recital B.
2. The deletion of the number (3) after “on the” and inserting number 4 in its place as highlighted below:

Clause 2.2

“(a) on the ~~3~~ 4 year anniversary of its commencement of this Deed, as determined by clause 2.1 (a)”

3. The deletion of “355” at point 3. of Schedule 1 and its replacement with “462”.

The WMRC should be notified of the change by formal letter confirming the extension of time, which is to accompany a revised copy of the Deed for signing by both parties in the same manner as the original Deed was signed to meet the requirements of clause 8.2 of the Deed, which reads as follows:

“8.2 Review and variation

Where this Deed is to be modified, amended or varied, then this Deed may only be amended by a document in writing signed by the Parties to the agreed amendment.”

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.

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.
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.
Corporate Business Plan 2013/14 – 2016/17	
Strategic 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

Given that the provision of MSW to the WMRC in the manner proposed is cost neutral to the MRC, the extension of the Deed to supply waste is acceptable and is therefore recommended for approval.

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That the Council:

1. advise the WMRC that it is prepared to extend and amend the agreement entitled “Deed regarding the delivery of waste” (the Deed) to supply 24,000 tonnes of waste for a further twelve (12) months until 30 June 2019;
 2. will formalise the time extension referred to in (1) above by varying the agreement as follows:
 - 2.1 The deletion of “18,500” and replacing it with “24,000” in Recital B;
 - 2.2 The deletion of the number (3) after “on the” and inserting number 4 in its place as highlighted below:

Clause 2.2
“(a) on the 3 4 year anniversary of its commencement of this Deed, as determined by clause 2.1(a)”; and
 - 2.3 The deletion of “355” at point 3. of Schedule 1 and its replacement with “462”; and
 3. will prepare a formal letter confirming the extension of time, which is to accompany a revised copy of the Deed for signing by both parties.
-

9.4	ADOPTION OF 2017 ANNUAL COMPLIANCE RETURN
File No:	COR/12-07
Appendix(s):	Appendix 7
Date:	6 March 2018
Responsible Officer:	A/Chief Executive Officer

SUMMARY

The purpose of this report is to provide Council with information on the completed Compliance Audit Return (1 January 2017 – 31 December 2017).

BACKGROUND

The 2017 Local Government Compliance Audit Return (CAR) covers the calendar year from 1 January to 31 December 2017.

The 2017 Compliance Audit Return is mandatory pursuant to the *Local Government (Audit) Regulations 1996* which requires all local governments to complete a Compliance Audit Return annually.

As was the case in the 2016 Return, local governments not only have to explain or qualify cases of non-compliance, but also provide details of any remedial action taken or proposed to be taken in regard to instances of non-compliance.

The Administration has completed the Return. No areas of non-compliance were recorded in the Return.

The Return was placed on the agenda for the Audit Committee meeting on 1 March 2018 for consideration.

DETAIL

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

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

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

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

The following table summarises the MRC's performance in each of the relevant categories and a comparison with the 2016 Return is also provided.

Table of CAR Comparison & Compliance

Category	2017 Audit Questions	Compliant	2016 Audit Questions	Compliant
Commercial Enterprises by Local Governments	5	100%	5	100%
Delegation of Power / Duty	13	100%	13	100%
Disclosure of Interest	16	100%	16	100%
Disposal of Property	2	100%	2	100%
Finance	14	100%	14	100%
Local Government Employees	5	100%	5	100%
Official Conduct	6	100%	6	100%
Tenders for Providing Goods and Services	25	100%	25	100%
TOTAL	86	100%	86	100%

In all areas audited the MRC is 100% compliant for the 2017 Compliance Audit.

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

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

- The Compliance Audit Return should be presented for adoption to a Council meeting during the months of February or March 2018;
 - The particulars of all matters of concern raised by Council should be recorded in the minutes of the meeting and a copy of the relevant page(s) attached to the Compliance Audit Return as an appendix; and
 - The completed Compliance Audit Return and appendices should be forwarded to the Director General of the Department of Local Government and Communities by 31 March 2018.
-

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

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

The Audit Committee at its meeting on 1 March 2018 considered the Return and resolved the following:

“That the Audit Committee recommends that Council endorse the Compliance Audit return for the 2017 calendar year, as presented.”

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

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

The results contained in the Compliance Audit Return required by the Department of Local Government and Communities for the period 1 January to 31 December 2017 indicates that the Council is continuing to operate within the Local Government Legislative requirements.

The Audit Committee, at its meeting held on 1 March 2018, recommended that the Council adopts the Compliance Audit Return.

It is recommended that the Return be adopted by the Council and that the component comprising the form approved by the Minister be certified by the Chairperson and Chief Executive Officer and be forwarded to the Director General, Department of Local Government and Communities.

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That Council:

- 1. adopt the Local Government Compliance Audit Return in the form approved by the Minister for the period 1 January to 31 December 2017 as contained within the Appendices in accordance with the provisions of *Regulation 14(3) of the Local Government (Audit) Regulations 1996* and in line with the recommendation from the Audit Committee;**
 - 2. authorise the Chairperson and the Chief Executive Officer to complete the Joint Certification contained in the adopted Return detailed in (1) above; and**
 - 3. authorise the Chief Executive Officer to submit the adopted Return detailed in (1) to the Director General, Department of Local Government, Sport and Cultural Industries prior to 31 March 2018.**
-

9.5	SHOP RE-DEVELOPMENT TENDER AWARD (LATE ITEM)
File No:	COP/21/06
Appendix(s):	
Date:	12 March 2018
Responsible Officer:	Acting Chief Executive Officer

LATE ITEM

SEPARATE COVER TO MEMBERS

10 MEMBERS INFORMATION BULLETIN

RESPONSIBLE OFFICER RECOMMENDATION

That the Members Information Bulletin Issue No. 40 be received.

11 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

12 URGENT BUSINESS

13 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

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

15 NEXT MEETING

Next meeting to be held on Thursday 31 May 2018 in the Council Chambers at the City of Stirling commencing at 6.00 pm

16 CLOSURE
