



MINUTES

ORDINARY COUNCIL MEETING

TIME: 6.30 PM

13 JULY 2023

CITY OF STIRLING

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



**MINDARIE REGIONAL COUNCIL
NOTICE OF MEETING**

07 JULY 2023

Councillors of the Mindarie Regional Council are advised that an Ordinary Meeting of the Council will be held at the City of Stirling at 6.30 pm on 13 July 2023.

The agenda pertaining to the meeting follows.

Your attendance is respectfully requested.



**SCOTT CAIRNS
CHIEF EXECUTIVE OFFICER**

MINDARIE REGIONAL COUNCIL - MEMBERSHIP

Cr K Vernon (Karen) - Chair	Town of Victoria Park
Cr A Jacob, JP (Albert) Deputy Chair	City of Joondalup
Cr C May (Christopher)	City of Joondalup
Cr L Gobbert, JP (Liam)	City of Perth
Cr C Hatton (Chris)	City of Stirling
Cr E Re (Elizabeth)	City of Stirling
Cr J Ferrante (Joe)	City of Stirling
Cr L Thornton (Lisa)	City of Stirling
Cr A Castle (Alex)	City of Vincent
Cr F Cvitan, JP (Frank)	City of Wanneroo
Cr P Miles (Paul)	City of Wanneroo
Cr K Shannon (Keri)	Town of Cambridge

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

CONTENTS

1	DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS.....	4
2	ELECTION OF CHAIRPERSON	4
3	ELECTION OF DEPUTY CHAIRPERSON	4
4	ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE	5
5	DECLARATION OF INTERESTS.....	6
6	PUBLIC QUESTION TIME	6
7	ANNOUNCEMENT BY THE PRESIDING PERSON	6
8	APPLICATION FOR LEAVE OF ABSENCE.....	6
9	PETITIONS/DEPUTATIONS/PRESENTATIONS	6
10	CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS	7
	10.1 ORDINARY COUNCIL MEETING – 01 JUNE 2023	7
11	CHIEF EXECUTIVE OFFICER REPORTS	8
	11.1 FINANCIAL STATEMENTS FOR THE MONTHS ENDED	8
	31 MAY 2023 AND 30 JUNE 2023.....	8
	11.2 LIST OF PAYMENTS MADE FOR THE MONTHS ENDED	11
	31 MAY 2023 AND 30 JUNE 2023.....	11
	11.3 SCOPING STUDY	
	MRC and TPRC COLLABORATION OPPORTUNITIES	13
	11.4 ANNUAL BUDGET 2023/24.....	18
12	MEMBERS INFORMATION BULLETIN – ISSUE NO. 77	22
13	MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN	23
	13.1 NOTICE OF MOTION – CR LIAM GOBBERT	
	NEERABUP RESOURCE RECOVERY FACILITY.....	23
14	URGENT BUSINESS.....	25
15	QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN	25
16	MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC..	25
	16.1 TENDER TO AUCTION LANDFILL CAPACITY	26
17	NEXT MEETING	27
18	CLOSURE	27

Prior to taking their seats for the meeting each member nominated by the Member Councils, made the required Declaration of Elected Member for the position of Councillor of the Mindarie Regional Council (MRC) in accordance with the Local Government Act 1995 (Schedule 9.3, Clause 10) in accordance with s702 of the Local Government Act 1960 (repealed).

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The CEO declared the meeting open at 6.31 pm.

The CEO announced that, prior to the meeting, the Chair had authorised Cr Re to attend the meeting electronically under s14CA Local Government Administration Regulations 1996.

Cr Re had previously confirmed that she is located in a private room and can maintain confidentiality during the meeting.

In addition, the CEO announced that Cr Shannon was an apology for the meeting, however, he had authorised Cr Shannon to connect to the meeting electronically as a meeting observer.

2 ELECTION OF CHAIRPERSON

Cr Re connected to the meeting at 6.35 pm

The CEO advised Council that he received the following nominations for the position of Chair:

- Cr Karen Vernon - Self nomination
- Cr Paul Miles - Self nomination

Crs Vernon and Miles made a short speech prior to the voting.

In accordance with the *Local Government Act 1995 (schedule 9.3, Clause 10(c))* an election was conducted under *s.709 (2) of the transitional provisions of the Local Government Act 1960 (repealed)*.

The CEO advised Council that a vote would be conducted for the position of Chair.

The votes were counted and the CEO announced that Cr Miles received the majority of the votes and declared Cr Miles elected as the Chair, by 9 votes to 3.

Cr Miles signed the required Declaration of Office for the position of Chair (Form 7). Cr Miles then assumed the role of Chair.

3 ELECTION OF DEPUTY CHAIRPERSON

The Chair advised Council that the following nominations had been received for the position of Deputy Chair:

- Cr Albert Jacob - Self nomination
- Cr Keri Shannon -Self nomination

In accordance with the *Local Government Act 1995 (schedule 9.3, Clause 10(c))* an election was conducted under *s.709 (3) of the transitional provisions of the Local Government Act 1960 (repealed)*.

The Chair advised Council that a vote would be conducted for the position of Deputy Chair.

The votes were counted and the Chair announced that Cr Shannon received the majority of the votes and declared Cr Shannon elected as the Deputy Chair, by 7 votes to 5.

The Chair thanked Cr Jacob for nominating, and congratulated Cr Shannon on being elected to the role of Deputy Chair.

The Chair thanked Cr Vernon for her dedication to the role of Chair.

4 ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

Councillor Attendance

Cr Paul Miles, Chair	City of Wanneroo
Cr Adrian Hill	City of Joondalup
Cr Christopher May	City of Joondalup
Cr Liam Gobbert, JP	City of Perth
Cr Joe Ferrante	City of Stirling
Cr Chris Hatton	City of Stirling
Cr Lisa Thornton	City of Stirling
Cr Elizabeth Re	City of Stirling
<i>attending via Zoom</i>	
<i>from 6.35 pm to 6.57 pm</i>	
Cr Alex Castle	City of Vincent
Cr Frank Cvitan, JP	City of Wanneroo
Cr Jane Cutler	<i>Town of Cambridge</i>
Cr Karen Vernon	Town of Victoria Park

MRC Officers

Chief Executive Officer	Mr Scott Cairns
Manager Finance	Ms Adnana Arapovic
Manager Operations	Mr Morné Hattingh
Manager Projects & Procurement	Mr Aaron Griffiths
Manager Human Resources	Ms Sonia Cherico
Executive Support	Ms Deborah Toward

Apologies/Leave of Absence

Cr Albert Jacob – City of Joondalup – leave of absence.
Cr Keri Shannon – Town of Cambridge - apology

Visitors

Nil

Observers

Cr Keri Shannon – *via Zoom*.

Member Council Observers

Mr Nico Claassen	City of Joondalup
Mr Gary Taylor	City of Perth
Mr Andrew Murphy	City of Stirling
Mr Perter Varris	City of Vincent
Mr David Parker	City of Vincent
Mr Harminder Singh	City of Wanneroo
Mr Andrew Head	Town of Cambridge
Mr John Wong	Town of Victoria Park

5 DECLARATION OF INTERESTS

Nil

6 PUBLIC QUESTION TIME

Public question time opened at 6.55 pm.
There were no members of the public present.
Public question time closed at 6.55 pm.

7 ANNOUNCEMENT BY THE PRESIDING PERSON

Nil

8 APPLICATION FOR LEAVE OF ABSENCE

Nil

9 PETITIONS/DEPUTATIONS/PRESENTATIONS

Nil

10 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS
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Cr Re disconnected from the meeting at 6.57pm

10.1 ORDINARY COUNCIL MEETING – 01 JUNE 2023

The Minutes of the Ordinary Council Meeting held on 01 June 2023 have been printed and circulated to members of the Council.

RESPONSIBLE OFFICER RECOMMENDATION

That the Minutes of the Ordinary Meeting of Council held on 01 June 2023 be confirmed as a true record of the proceedings.

Moved Cr Cvitan, seconded Cr May

RESOLVED

That the recommendation be adopted

(CARRIED UNANIMOUSLY 11/0)

10.2 SPECIAL COUNCIL MEETING – 22 JUNE 2023

The Minutes of the Special Council Meeting held on 22 June 2023 have been printed and circulated to members of the Council.

RESPONSIBLE OFFICER RECOMMENDATION

That the Minutes of the Special Meeting of Council held on 22 June 2023 be confirmed as a true record of the proceedings.

Moved Cr Hatton, seconded Cr Cvitan

RESOLVED

That the recommendation be adopted

(CARRIED UNANIMOUSLY 11/0)

11 CHIEF EXECUTIVE OFFICER REPORTS

11.1	FINANCIAL STATEMENTS FOR THE MONTHS ENDED 31 MAY 2023 AND 30 JUNE 2023
Reference:	GF-23-000000019
Appendix(s):	Appendix No. 1, 2 and 3
Date:	6 JULY 2023
Responsible Officer:	FINANCE MANAGER

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:

- Statement by Comprehensive Income by Nature and Type
- Operating Income Statement by Program
- Statement of Financial Activity
- Statement of Reserves
- Statement of Investing Activities
- Tonnage Report

DETAIL

The Financial Statements for the month ended 31 May 2023 and Interim Financial Statements for the month ended 30 June 2023 are attached at **Appendix No. 1 and 2** to this Item. The Tonnage Report for the two months up to 30 June 2023 is attached at **Appendix No. 3**.

The complete suite of Financial Statements which includes the Income Operating Statements, Statement of Financial Position, Statement of Financial Activity and other related information are reported on a monthly basis.

The estimates for Provisions for Amortisation of Cell Development, Capping and Post Closure expenditure are based on the estimated rates per tonne calculated with reference to estimated excavation cost of various stages of the landfill and the life of the landfill. An adjustment is made (if necessary) at the end of the year based on actual tonnages on a survey carried out to assess the "air space" remaining and other relevant information.

Summary of results for the year to date period ended 30 June 2023

	YTD Budget	YTD Actual	Variance
	t	t	t
Tonnes – Members	172,548	170,538	(2,010)
Tonnes – Others	47,050	47,361	311
TOTAL TONNES	219,598	217,899	(1,699)
	\$	\$	\$
Revenue – User Charges	32,632,013	32,286,437	(345,576)
Revenue – Other	6,487,539	7,058,956	571,417
TOTAL REVENUE	39,119,552	39,345,393	225,841
EXPENSES	(37,045,869)	(35,005,466)	2,040,403
NET SURPLUS/(DEFICIT)	2,073,683	4,339,927	2,266,244

Mindarie Regional Council interim financial position for the period ending 30 June 2023 reflects its performance from 1 July 2022 to 30 June 2023. Council's operations have been conducted in line with the adopted budget. As a result of the MRC's mid-year budget review and budget adjustments approved at the OCM 23 February, also in line with materiality adopted by the Council, variances below \$50k do not attract comments.

User charges

Total user charges are \$346k below year end budget mainly due to less tonnages received from some of the Member Councils.

Member Councils have delivered 2,010t below budgeted for the year abated by 311 above budget tonnes from casual and trade customers.

Other Revenue

A positive variance of \$571k exists in other revenue, \$175k due to the continuation of strong interest rates in cash savings, cash management accounts and term deposits and \$376k unbudgeted Gas Power royalty.

Expenses

Reporting for June 2023 is the MRC's interim position, further adjustments will be processed as part of year end closure.

Depreciation is \$664k above budget due to revaluation of RRF infrastructure assets end of last financial year that impacted opening balances and the depreciation in this financial year. This a permanent variance.

Insurance is \$283k below budget due to a saving the MRC achieved within an insurance policy amendment from Comprehensive to Removal and Demolition.

DEP landfill levy is \$136k below budget which is tonnage driven.

Member Costs is \$65k below budget due to only one Councillor attending budgeted Conferences.

Employee costs currently \$127k under budget pending yearend accruals to be allocated

Consultants and Contracts currently \$365k below budget have some deferred costs such as projects which are FOGO and WtE related.

Landfill Expenses, Office Expenses, IT Expenses, Building Maintenance, Plant & Equipment, Utilities and Administration Expenses all are under budget but yearend adjustments and accruals are yet to be processed.

The interim net result variance is \$2.3m or 109% against year to date budget.

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That Council:

Receive the Financial Statements set out in Appendix No. 1 and 2 for the months ended 31 May 2023 and 30 June 2023.

Moved Cr Ferrante, seconded Cr Hatton

RESOLVED

That the recommendation be adopted

(CARRIED UNANIMOUSLY 11/0)

11.2	LIST OF PAYMENTS MADE FOR THE MONTHS ENDED 31 MAY 2023 AND 30 JUNE 2023
File No:	Gf-23-0000019
Appendix(s):	Appendix No. 4 and 5
Date:	6 JULY 2023
Responsible Officer:	Finance Manager

SUMMARY

The purpose of this report is to provide details of payments made during the periods identified above. 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 May 2023 and 30 June 2023 is at **Appendix 4 and 5** to this Item and 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 29 September 2022, 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 May 2023	General Municipal	Cheques	\$600.00
		EFT	\$759,453.87
		DP	\$5,482,810.52
		Inter account transfers	\$0.00
		Total	\$6,242,864.39
30 June 2023	General Municipal	Cheques	\$6,480.70
		EFT	\$1,141,572.89
		DP	\$448,584.81
		Inter account transfers	\$0.00
		Total	\$1,596,638.40

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That Council:

Note the list of payments made under delegated authority to the Chief Executive Officer, for the months ended 31 May 2023 and 30 June 2023.

Moved Cr Thornton, seconded Cr Cutler

RESOLVED

That the recommendation be adopted

(CARRIED UNANIMOUSLY 11/0)

11.3	SCOPING STUDY – MRC and TPRC COLLABORATION OPPORTUNITIES
File No:	GF-23-0000230
Appendix(s):	Nil
Date:	30 June 2023
Responsible Officer:	Chief Executive Officer

SUMMARY

This report seeks Council's support for the co-funding of a study to explore opportunities for increased collaboration and/or resource sharing between the Mindarie Regional Council (MRC) and Tamala Park Regional Council (TPRC).

BACKGROUND

The MRC and TPRC are both independent regional Local Government authorities that have been established under State legislative instruments. The Vision/Mission statements for both organisations are:

- **MRC**
 - *Vision: Collaborating for a regional Circular Economy.*
 - *Mission: To deliver sustainable waste management options for members.*

- **TPRC**
 - *Vision: To create a sustainable urban community offering diverse housing choice, social connectivity and employment opportunities.*

At its 20 April 2023 Ordinary Council Meeting the TPRC Council resolved (in part):

REQUEST that the CEO and Chair of TPRC hold regular discussions with the Mindarie Regional Council (MRC) CEO and Chair regarding:

- a) Future plans for their respective projects;*
- b) Current odour, noise, landfill gas, groundwater and dust monitoring programs and findings;*
and
- c) Current and future remediation programs that are scheduled in and around the MRC site;*

and report back to the TPRC Council periodically on these matters.

Accordingly, the TPRC requested a meeting between both Chairs and CEOs, which took place on 23 May 2023. At that meeting, the concept of undertaking the Scoping Study proposed in this report was discussed with the parties agreeing that such an activity may have merit, and with both CEOs committing to present a report to their respective Councils at their earliest convenience.

At its 22 June 2023 Ordinary Council Meeting the TPRC resolved:

That the Council APPROVE co-funding a Scoping Study with the Mindarie Regional Council that explores options, opportunities, risks, costs and impediments for potential greater collaboration and/or resource sharing between the two Local Government authorities.

DETAIL

At the meeting which took place on 23 May 2023, both parties discussed the respective progress of their services and operations and the interlinkage between the ability of both regional councils to deliver for the benefit of member councils. The major points noted during those conversations are highlighted below:

MRC/TPRC Operational Lifespans:

The landfill cell at the Tamala Park Waste Management Facility (TPWMF) will eventually be filled to its design capacity. The final end date of the landfill site depends upon the quantity of materials deposited there by member councils, and is currently forecasted to occur during 2028/29. Any future changes to member council waste management practices are likely to affect that end date.

Once active landfill cell compaction operations cease, ongoing environmental management in relation to leachate and landfill gas of the Tamala Park site will be required, which will result in an ongoing operational requirement to remain in place for decades, post closure.

Both the Light Vehicle Transfer Station and Community Recycling Centre activities undertaken at TPWMF are well-received by the community and therefore likely to continue post landfill closure.

The TPRC Catalina Project has a finite lifespan as the land available for development and sale will ultimately be expended. As the TPRC project has developed, available land for development and sale is now impacted upon by the operations of the MRC's active landfill site, whereas previously this was not an issue.

TPRC Future Development Constraints

TPRC has traditionally been able to develop and sell land unhindered outside of one portion of land designated as a restricted area/buffer zone, by the Western Australian Planning Commission (WAPC), due to the adjacent operation of the MRC's active landfill at the TPWMF.

However, this last remaining potential portion of land within TPRC's neighbouring Catalina Central development sits within the 500m sensitive receptor buffer zone area that is set by WAPC, and therefore is not available for sale.

The operations of MRC's landfill are likely to extend past the date at which all other TPRC land sales are completed, potentially leaving that buffer zone undeveloped until such times as the landfill cells reach their fill capacity.

In effect, the development and sale of this final land portion managed by TPRC can only be undertaken once active landfilling ceases at Tamala Park and the contaminated sites development restraints are lifted.

Environmental Impact Monitoring

Under the terms of the Tamala Park landfill's environmental licence, regular environmental monitoring for noise, odour, groundwater, landfill stability, surface water management and dust monitoring takes place and is reported to the Department of Water and Environmental Regulation (DWER).

Post closure of the active landfill cells, substantial aftercare will be required to manage the environmentally legacy issues which result from landfill operations. This will continue for decades to come.

Potential for Greater Collaboration between MRC/TPRC

The MRC and TPRC regularly communicate on matters relating to environmental monitoring and results and any other opportunities that exist where operational matters overlap (e.g. the MRC has previously agreed to receive excess limestone materials from TPRC development for future use as cover on the landfill). These open communications continue.

Due to the relatively small size of each administration, in particular TPRC, it was proposed that there may be merit in identifying if there are any other opportunities that could exist for each administration to collaborate more readily, in an effort to increase overall efficiencies to member councils.

The scope of the proposed Scoping Study would be to consider:

- Options for future collaboration and/or resource sharing between TPRC and MRC.
- Pros and Cons (risks) for all Options identified.
- Process and timeframes that would be required (inc. legal, financial, etc.) to implement preferred/recommended Option/s.

If this proposal is supported by Council, then the final details of the Scoping Study will be agreed by both CEOs and a Request for Quote (RFQ) would be released to call for suitably qualified and experienced consultancy firms to quote.

It is proposed that the quote process would be run by the TPRC but both CEOs would be involved in the RFQ evaluation process and consultant selection and would meet regularly with the selected consultant during the development of the study. Consultant engagement with the elected members is also likely to be required.

An indicative timeframe for the delivery of a Scoping Study is:

Date	Action
June/July	The MRC and TPRC agree to progress a Scoping Study.
July	Consultants brief released.
August	Consultant selected.
August/October	Consultant undertakes consultation with Member Councils and stakeholders, develops options, undertakes analysis/assessment of options and prepares report.
October/November	TPRC and MRC Council's consider the findings on the Scoping Study and agree on the next steps.

The timeline highlighted above is dependent upon identifying and contracting with an acceptable consultancy and relevant stakeholder availability thereafter for consultations with member councils and councillors.

CONSULTATION

The MRC has, at this stage, consulted only with colleagues within the TPRC.

STATUTORY ENVIRONMENT

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

An estimate for the Scoping Study to be undertaken is \$50,000. It is proposed that both the MRC and TPRC pay 50% each.

Sufficient budget exists in the proposed 2023/24 budget to pay for these costs.

STRATEGIC IMPLICATIONS

STRATEGIC COMMUNITY PLAN 2023– 2032	
Strategic Objective 3 : Deliver best practice governance processes and structures	
Strategy 3.2	Ensure responsible use of organisational resources

COMMENT

While the purposes of the MRC and TPRC vary greatly, increasingly, the operations of both are becoming more closely linked.

The effect of the landfill activities at Tamala Park on TPRC's activities has apparently not been a critical issue in the past, but as its available land for development reduces and its inevitable end date comes closer, then TPRC has identified that the need for communication and collaboration is increasing.

Notwithstanding the impacts of the MRC's operations upon the potential of development for TPRC, it is important to note that TPRC has historically, and continues to, impact upon the MRC's operations; most notably:

- Groundwater abstraction for development purposes potentially impacting groundwater movements in the surrounding area.
- The development of properties for residential purposes adjacent to an active landfill inevitably leads to increased potential for neighbour complaints and management on an essential service for the community.
- Historic and apparently continued suggestions by TPRC's land development partner that the landfill will close soon, and that a golf course is planned for development. This is not the case, and results in nearby residents increased frustrations and the MRC receiving misinformed and emotive communications regarding the operations and lifetime of the landfill facility.

The TPRC and MRC have historically communicated well as related organisations that have common ownership. There has been sharing of information on pertinent matters such as odour, groundwater monitoring, dust management and other strategic and operational matters. While the communication has been good, it has been sporadic as the organisations are independent and have had vastly different strategic imperatives and key issues to address.

The issue of greater collaboration between the MRC and TPRC was highlighted previously by a Councillor Notice of Motion brought forth to Council on 25 August 2022. At that time, the Administration's position was that without any similar parallel instruction to the TPRC CEO, then any investigations by the MRC were unlikely to be thorough enough as to provide value.

Accordingly, Council resolved not to progress any investigations. However, given TPRC's recent resolution, the Administration is of the view that there may now be sufficient impetus to progress investigations in to how both entities may work together in future to increase efficiencies.

While a Scoping Study is recommended, the MRC is not obliged to undertake this work and may elect not to proceed with the proposal at this time if it feels that the organisation's time and efforts should be spent on other activities.

If a Scoping Study is undertaken, then the MRC is not bound to act upon any options or associated recommendations thereof without future member council and Council endorsement.

Given that the TPRC and MRC are directly adjacent to each other, owned by the same Members, have planning and approval matters that directly impact on each other and are increasingly impacting on each other's operations, there is merit in considering options for closer alignment between both. There are also potential opportunities for economy of scale through the two organisations jointly working on administrative and governance matters.

Should Council agree with the officer's recommendation, it should be noted that a Scoping Study is proposed as the 'first step' into potentially progressing options for better collaboration between TPRC and the MRC.

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That Council:

APPROVE the co-funding of a Scoping Study with Tamala Park Regional Council that explores options, opportunities, risks, costs and impediments for potential greater collaboration and/or resource sharing between the two entities.

Moved Cr Thornton, seconded Cr Gobbert

RESOLVED

That the recommendation be adopted

(CARRIED UNANIMOUSLY 11/0)

11.4	ANNUAL BUDGET 2023/24
File No:	GF-21-0000169
Appendix(s):	Appendix No. 6
Date:	30 June 2023
Responsible Officer:	Finance Manager

SUMMARY

This report presents the Draft 2023/24 Annual Budget for adoption by Council.

BACKGROUND

The 2023/24 Annual Budget has been prepared in accordance with the requirements of the *Local Government Act 1995*. The Annual Budget is an important part of the MRC's Integrated Planning Framework and is guided by the Strategic Community Plan (SCP) 2022-2032 (adopted by Council 27 April 2023), Corporate Business Plan 2023-2026 and Long Term Financial Plan 2023-2032. The SCP has been instrumental in guiding the activities of the MRC both at the strategic and operational levels.

The 2023/24 budget process workshop with Councillors and Officers was originally planned 1 June 2023 after the Ordinary Council Meeting (OCM) held at the City of Stirling. The budget workshop was deferred to 22 June 2023 after the Special Council Meeting (SCM) and was held in person and on-line at the City of Wanneroo.

The MRC has carefully considered resources and funding requirements necessary to deliver ongoing services, statutory and governance activities and assets renewal program. The MRC's budget financial strategy strives to achieve as low as practical a gate fee, to minimise the financial burden placed on members whilst also maintaining tight control of costs and funds allocated for post closure rehabilitation.

The development of the 2023/24 Annual Budget plays an important role in positioning the MRC's finances to a sustainable future. The underlying operating budget has been developed in discussion with the managers across the business and has been reviewed in detail to ensure that the Mindarie Regional Council (MRC) continues to deliver its current service offering in an efficient, cost effective manner and in line with the Waste Strategy 2030 and the MRC's Waste Plan.

Some of the key assumptions with regard to the 2023/24 budget include:

- Landfill to continue receiving 100% of Member Council residual waste;
 - Member councils' gate fee to be set at \$151 per tonne excl. GST;
 - Non-members' gate fee to be set at \$215.00 per tonne excl. GST;
 - Governance and Administration costs to be apportioned using equity share, and invoiced directly to Member Councils;
 - Maintain Reserves established for a specific purpose;
 - Interest earned from investments on cash backed funds to be allocated to reserves;
 - Nil increase to the Landfill Levy for 2023/24; and
 - WtE and FOGO - pending outcomes – not forming part of the proposed 2023/24 budget.
-

DETAILS

The final draft Annual Budget for 2023/24 is included as an attachment Appendix 6 to this report.

Part 3 of the *Local Government (Financial Management) Regulations 1996* requires the Annual Budget to contain certain information, including:

- Prescribed financial statements;
- Other information to be included in the budget notes;
- Information relating to hire charges and fees; and
- Information relating to service charges.

Overall, in terms of the Statement of Comprehensive Income, the Annual Budget 2023/24 includes Operating Revenue of \$39.2m and Operating Expenses \$37.5m. Following the inclusion of non-ordinary revenue \$50k and profit/loss on sale \$350k this will see a Net trading result of \$1.45m.

Of the total Operating revenue, 81.52% comes from the fees and charges (\$32m) and interest (\$1.7m). A marginal tonnage increase is expected from 206,355 tonnes in 2022/23 to 207,406 tonnes based on information provided by the member councils. 176,006 tonnes of residual waste will be delivered to the MRC by Member Councils during the course of the year. Non-members are expected to deliver the same level of waste, 31,400 tonnes.

The MRC Annual Budget is also anticipating receiving \$900k in other revenue mostly from gas power and royalties and \$4.6m contribution by Member councils to recoup administration and governance costs.

The Annual Budget process is subject to external factors. Western Australia and the globe at large have seen an increase in the cost of living as a result of elevated demand and global supply issues. Inflation as portrayed in the movements in the Consumer Price Index will be the focus in the coming year.

The MRC's ordinary budgeted expenditure for 2023/24 is estimated at \$37.5m (\$37.0m in 2022/23), of which the most significant cost is materials and contracts \$18.3m, \$5.9m depreciation on assets and \$5.5m employee costs. Expenditure by nature and type is detailed in the statement of comprehensive income.

The financial assumptions anticipate movements in both the consumer price index, wages growth and interest rates. Any unplanned changes in any of these parameters and the general economic environment are likely to have an impact on the proposed budget.

The Minister for Environment has announced an increase in the waste levy rate commencing 1 July 2024 thus leaving this budget at the same level, of \$70 per tonne. A one-off 'catch-up' inflation increase of \$15 per tonne will commence on 1 July 2024.

Labour shortages and a historically low unemployment rate directly impact on wages price index (State budget indicates a 4% wage price index for 2023/24 year). The MRC's employee costs \$5.5m represent 15% of the overall operating expenditure. During 2022/23 financial year the MRC Council approved two new FTEs to perform specific projects and procurement. Within the same financial year the RRF monitoring contract was extended and two additional FTE's were introduced to provide essential services within operations and financial compliance. Part of the employment costs increase is as a result of contract labour being now reported under the employment costs while previously budgeted as materials and contracts.

The Resource Recovery Facility (RRF) budget overall decreased by \$890k; the most significant impact coming from an insurance premium reduction from \$1.0m to \$70k. The RRF depreciation budget has increased by \$600k to \$4.6m (79% of the RRF 2023/24 budget) due to this facility now being an asset owned by Mindarie Regional Council (79% of the overall budget), however this depreciation figure has not been included in the new gate fee calculation as was the case for the 2022/23 financial year. At the end of last year, the RRF infrastructure assets were subject to a revaluation process that impacted opening balances and the depreciation in 2022/23 as well as a level of budget for 2023/24.

The MRC is anticipating receiving \$50k in a non-operating grant for capital work on E-waste from the state government.

The total budget of the Capital works program in 2023/24 is \$10.05m. This program is planned to deliver budgeted building works \$310k, infrastructure including landfill works of \$9.02m, plant and equipment of \$618k and computing \$105k. Included in the amounts is carry forward of \$7.1m.

Cash backed reserves 2023/24 closing budget is estimated at \$21.4m. Transfers into reserve \$3.2m include \$755k in interest earned on investments.

Post closure reserve transfers will result in an estimated \$18.5m budget closing position to cover post closure liability. Any unfunded portion of the post closure liabilities will need to be funded over the remaining life of the landfill.

CONSULTATION

The MRC held 2023/24 budget workshop with Councillors on 22 June 2023. Budget was also discussed with senior officers from Member Councils at the SWG meeting held 5 July 2023 at the City of Stirling. The 2023/24 budget workshop with Councillors and Officers was originally planned 1 June 2023. The budget workshop was deferred to a SCM on 22 June 2023 and was held in person and on-line.

ATTACHMENTS

Draft Annual Budget 2023/24 (Appendix 6)

STATUTORY IMPLICATIONS

In accordance with section 6.2 of the Local Government Act 1995, Council is required to formally adopt the Annual Budget on or before 31 August each year.

Part 3 of the *Local Government (Financial Management) Regulations 1996*

Modifications of existing reserves and creation of new reserves is done in compliance with section 6.11 of the Local Government Act 1995.

FINANCIAL IMPLICATIONS

The financial implications of adopting the 2023/24 budget are disclosed in the Draft 2023/24 Annual Budget and supplementary Notes. (Appendix No. 6)

The Members' gate fee will be set at \$151 per tonne (excluding GST) for the 2023/24 financial year. The Non-members' gate fee will be set at \$215 per tonne (excluding GST) for the 2023/24 financial year.

STRATEGIC IMPLICATIONS

- Strategic Community Plan 2023-2032
- Corporate Business Plan 2023-2027
- Long Term Financial Plan 2023-2032
- Asset Management Plan 2023-2032
- Workforce Plan 2023-2027

VOTING REQUIREMENT

Absolute Majority

RESPONSIBLE OFFICER RECOMMENDATION

That Council resolve:

1. That the Draft 2023/24 Annual Budget be adopted including the following:

1.1 Statement of Comprehensive Income

That the Statement of Comprehensive Income by Nature/Type in the Draft 2023/24 Annual Budget be adopted.

1.2 Statement of Financial Position

That the Statement of Financial Position in the Draft 2023/24 Annual Budget be adopted.

1.3 Statement of Cash Flow

That the Statement of Cash Flow in the Draft 2023/24 Annual Budget be adopted.

1.4 Notes to and Forming part of the Annual Budget 2023/24

That the Notes to and Forming Part of the Draft 2023/24 Annual Budget be adopted.

1.5 Reserves

That the Reserve accounts in the Draft 2023/24 Annual Budget be adopted.

1.6 Capital works program 2023/24

That the Capital Works Program in the Draft 2023/24 Annual Budget be adopted.

1.7 Operating budget by Department

That the Budget by Department in the Draft 2023/24 Annual Budget be adopted.

1.8 Schedule of Fees and Charges 2023/24

That the Schedule of Fees and Charges in the draft 2023/24 Annual Budget be adopted.

2. That interest earned on cash funds associated with cash backed reserves be credited to the respective reserves

3. Financial Reporting and Materiality

As per Local Government (Financial Management) Regulations 1996 Section 34 (5) each financial year, a Local Government is to adopt a percentage or value, calculated in accordance with the AAS (Australian Accounting Standards), to be used in financial statements for reporting material variances. For the purpose of materiality in financial reports for the 2023/24 financial year, variances shall be those greater than \$50,000.

Moved Cr May, seconded Cr Ferrante

RESOLVED

That the recommendation be adopted

(CARRIED UNANIMOUSLY 11/0)

12 MEMBERS INFORMATION BULLETIN – ISSUE NO. 77

RESPONSIBLE OFFICER RECOMMENDATION

That the Members Information Bulletin Issue No. 77 be received.

Moved Cr Ferrante, seconded Cr Cvitan

RESOLVED

That the recommendation be adopted

(CARRIED UNANIMOUSLY 11/0)

13 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

13.1 NOTICE OF MOTION – CR LIAM GOBBERT – NEERABUP RESOURCE RECOVERY FACILITY

In accordance with clause 5.4 of the Mindarie Regional Council Meeting Procedures Local Law 2020, Cr Gobbert has given notice of his intention to move the following Motion:

That Council:

REQUESTS the Mindarie Regional Council's CEO prepare a report for Mindarie Regional Council's next Ordinary Meeting considering;

- 1. the disposal of the Neerabup RRF facility; and**
- 2. options for holding the proceeds of the disposal such as a growth fund to offset the future costs associated with closing the Tamala Park Landfill and ongoing site management costs**

Reasons for Motion:

- The Neerabup facility is currently lying dormant and a liability for member councils.
 - MRC does not have the resources or experience to operate the Neerabup facility as a FOGO plant and needs to enter into contract with a third party to do so - Member Councils paid a considerable amount of money to exit a similar contract arrangement in recent years.
 - With the closure of Tamala Park landfill, member councils are not bound under the MRC Constitution to the direction of the MRC and so can decide where to deliver waste independently.
 - Entering into a new facility management contract (for FOGO) is likely to extend the obligation of member councils towards the MRC in addition to the ongoing Tamala Park site management.
 - The costs to close the landfill and manage the site into the future will be a considerable financial liability for member councils, which could be offset by the sale and investment of existing assets.
 - The Asset Management Plan indicates the land, buildings and Infrastructure associated with the Neerabup facility has a combined asset value of some \$63M.
 - I acknowledge the MRC Administration is currently investigating options to develop the site as a FOGO receiving and processing facility which in general is supported if member councils agree to it. This NOM does not prevent the use and ownership of the facility as a FOGO processing site by a third party to benefit member councils and others.
-

Officer response to Notice of Motion

Responsible officer	Chief Executive Officer
Voting requirement	Simple Majority

Officer comment

The administration proposes that such a report be prepared after the completion of the current FOGO tender process, rather than for the September OCM. The reasons for this are highlighted below:

- Sufficient time is required to ensure that staff adequately consider all relevant matters (financial, legal, etc.) relevant to both the potential sale of the asset and the setting up of a growth fund, as suggested. External advice is likely to be sought regarding this.
- Limited capacity currently exists within the administration to undertake this task given that efforts are presently concentrated on the finalisation of a successful WtE services procurement exercise and the development and delivery of a FOGO services tender.
- Additional to the above, and following the recent adoption of the new Corporate Business Plan, as amended, the administration must now review timelines and resourcing to ensure that the actions planned for 2023/24 can be completed.
- Generally, the administration notes that Council has previously resolved to endorse the publication of a FOGO tender, currently planned for publication in August 2023, and has concerns that bringing forth a report on this matter whilst a FOGO tender runs in parallel sends a negative message to industry and may adversely impact the market's and other potential stakeholders' views of this regional proposal. This could result in an increased perception of risk to potential tenderers which arguably may result in less favourable offers being received, and potentially in smaller numbers.
- The administration also notes the previous feedback received from other interested parties regarding the MRC's and member councils' alignment and commitment to delivering FOGO services, and its impact.

Should a positive outcome from the current FOGO tender process not be forthcoming, then a sale of the asset could be considered once that process is completed.

The administration believes that delaying any report will have minimal, if any, negative implications as any residual value in the asset will not be impacted by waiting until after the FOGO tender process, and as any future growth fund resulting from that sale will not be required for a number of years until after the landfill ceases to accept member councils' waste materials.

The administration notes that the landfill is not currently forecasted to close until 2028 dependent upon the outcome of the current WtE tender process, which could extend that time further.

Moved Cr Gobbert, seconded Cr May

PROPOSED AMENDMENT

Moved Cr Gobbert, seconded Cr May

Remove the word 'next' and replace with the words 'November 2023'

LOST 4/7

For: Crs Cvitan, Gobbert, Hill and May

Against: Crs Castle, Cutler, Ferrante, Hatton, Miles, Thornton and Vernon

SUBSTANTIVE MOTION:

That Council:

REQUESTS the Mindarie Regional Council's CEO prepare a report for Mindarie Regional Council's next Ordinary Meeting considering;

- 1. the disposal of the Neerabup RRF facility; and**
- 2. options for holding the proceeds of the disposal such as a growth fund to offset the future costs associated with closing the Tamala Park Landfill and ongoing site management costs**

LOST 5/6

For: Cvitan, Gobbert, Hill, May and Miles

Against: Crs Castle, Cutler, Ferrante, Hatton, Thornton and Vernon

14 URGENT BUSINESS

Nil

15 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

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

Moved Cr Miles, seconded Cr Hatton

Procedural motion:

That Council:

1. Closes the meeting to the members of the public at 7.45 pm to consider items 16.1 in accordance with section 5.23(2)(c) of the Local Government Act 1995.
2. Permits the MRC Chief Executive Officer, MRC staff and Member Council Officers to remain in the chamber during discussion for item 16.1.

Doors closed at 7.45 pm.

There were no members of the public present in the gallery.

MRC Officers and Member Council Officers remained observing the meeting.

The CEO has not released the report for item 16.1 for public viewing.

This report is Confidential and dealt with in a confidential session, under Section 5.23 (2) (c) of the <i>Local Government Act 1995</i> as the report deals with a matter where a contract may be entered into.	
16.1	TENDER TO AUCTION LANDFILL CAPACITY FINANCIAL YEAR 2023-2024
File No:	GF-22-0000113
Appendix(s):	Nil
Date:	27 June 2023
Responsible Officer:	Chief Executive Officer

VOTING REQUIREMENT

Simple majority

RESPONSIBLE OFFICER RECOMMENDATION

That Council:

1. Award the tender for the auction of landfill capacity financial year 2023/24 (Tender Number: 13/161) to Cleanaway and West Tip, and
2. Authorises the CEO to inform the tenderers of the decision.

Moved Cr Vernon, seconded Cr Hatton

PROPOSED AMENDMENT:

Moved Cr May, seconded Cr Hill

Remove the words 'to Cleanaway and West Tip' and replace with the words 'as per the confidential attachment'

LOST 2/9

For: Crs Hill and May

Against: Crs Castle, Cutler, Cvitan, Ferrante, Gobbert, Hatton, Miles, Thornton and Vernon.

SUBSTANTIVE MOTION:

RESOLVED

That the recommendation be adopted

(CARRIED UNANIMOUSLY 11/0)

Moved Cr Cvitan, seconded Cr Cutler

Procedural Motion:

That Council:

- Reopens the meeting to members of the public at 7.54 pm.

To re-open the meeting to the public.

(CARRIED UNANIMOUSLY 11/0)

Doors reopened at 7.54 pm and the Chair declared the meeting re-opened.

No members of the public were present.

The Chair read out the resolution passed behind closed doors.

17 NEXT MEETING

The next Ordinary Council meeting will be held on Thursday 21 September 2023 at the City of Vincent commencing at 6.30 pm.

18 CLOSURE

The Chair closed the meeting at 7.55 pm and thanked the City of Stirling for their hospitality and use of their meeting facilities.

Signed..... Chair

Dated 21st day of SEPTEMBER2023

