



# **MINUTES**

**ORDINARY COUNCIL MEETING HELD  
THURSDAY 19 JUNE 2014 AT THE  
CITY OF MANDURAH**

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**1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

The Chairman declared the meeting open at 6.45pm and welcomed everyone to this momentous meeting, in particular, Mayor Marina Vergone and CEO Mark Newman, City of Mandurah and John King, Talis Consultants.

**2. ATTENDANCE AND APOLOGIES****Councillors**

Cr Ron Hoffman	City of Gosnells (Chairman)
Cr Kevin Trent OAM RFD JP	City of South Perth (Deputy Chairman)
Cr Colin Cala	City of South Perth
Cr Jeff Munn JP CMC	City of Armadale
Cr Kerry Busby	City of Armadale
Cr Ron Mitchell	City of Gosnells
Cr Shane Jones	City of Mandurah
Cr Hon Fred Riebeling JP	City of Mandurah
Cr Wally Barrett	Shire of Murray
Cr Barrie Thomson	Shire of Murray
Cr John Kirkpatrick	Shire of Serpentine Jarrahdale
Cr Barry Urban	Shire of Serpentine Jarrahdale
Cr John Salerian	Shire of Waroona
Cr Noel Dew	Shire of Waroona

**Apologies**

Nil

**RRC Officers**

Alex Sheridan	Chief Executive Officer
Ruth Levett	Regional Waste Education Coordinator

**RRC Officers - Apologies**

Nil

**Member Council Officers**

Kevin Ketterer	Executive Director Technical Services	City of Armadale
Bob Sutton	Manager Waste Services	City of Armadale
Johan Le Roux	Manage Waste Services	City of Armadale
Dave Denton	Manager Engineering Operations	City of Gosnells
Dave Harris	Director Infrastructure	City of Gosnells
Allan Claydon	Director Works and Services	City of Mandurah
Kyle Boardman	Coordinator Facilities and Waste	City of Mandurah
Alan Smith	Director Technical Services	Shire of Murray
Mark Taylor	A/Director Infrastructure Services	City of South Perth
Gordon Allan	Director Engineering	Shire of Serpentine Jarrahdale
Steve Cleaver	Director Community Services	Shire of Waroona

**Apologies - Member Council Officers**

Les Croxford	Manager Engineering Infrastructure	City of South Perth
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**In Attendance**

John King	Talis Consultants
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**3. DISCLOSURE OF INTEREST**

Nil

**4. ANNOUNCEMENTS BY THE CHAIR WITHOUT DISCUSSION**

- Chaired RRC OCM at the City of South Perth – 10 April 2014.
- Attended final Strategic Waste Infrastructure Planning (SWIP) presentation at Crown Convention Centre – 11 April 2014.
- On Leave of Absence – 7 May 2014 to 2 June 2014.
- Attended official launch of 'Garbologie' at Bibra Lake – 17 June 2014.
- Attended MWAC meeting on behalf of FORC – 18 June 2014.

**5. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil

**6. PUBLIC QUESTION TIME**

Nil

**7. APPLICATIONS FOR LEAVE OF ABSENCE**

Nil

**8. PETITIONS, DEPUTATIONS AND PRESENTATIONS****MOVED TRENT/BUSBY**

That the Confidential Item be brought forward.

**CARRIED 14/0**

<b>19.1 RFT No. 2013/1 - Receipt and Processing of Waste for Resource Recovery – Evaluation Report</b>
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**MOVED TRENT/MUNN**

That the meeting be closed to the public in order to discuss the Confidential Item.

**CARRIED 14/0**

**MOVED MUNN/CALA**

That Standing Orders be suspended to allow Members to speak more than once and for Officers to have the right to address the Council.

**CARRIED 14/0**

Prior to the item being discussed there was a presentation by Mr John King, Talis Consultants.

**MOVED MITCHELL/TRENT**

That the RRC:

1. **RECEIVE** the Evaluation Report by the Tender Evaluation Panel and distribute to Participant Councils and the Shire of Waroona.
2. **EXPRESS** a favourable disposition to accept the tender from Phoenix Energy for the provision of services to Receive and Process Waste for Resource Recovery for a term of 20 years subject to the satisfaction of the following conditions:
  - The commitment of sufficient Participants to enter into the Services Agreement and the Participants Agreement and offering quantities of Committed Waste and Optional Waste satisfactory to the RRC and Phoenix Energy.
  - Phoenix Energy providing the following to the satisfaction of the RRC:
    - Selection of a debt financier or financiers and commitment from that financier or those financiers to provide Phoenix Energy's required debt without any material changes from the draft Services Agreement as contained in the RFT;
    - A firm commitment from the equity financier to provide equity finance to enable Phoenix Energy to undertake the Services; and
    - The identities of the debt and equity financiers and the project financial structure being acceptable following a thorough due diligence investigation.
3. **SEEK** commitments from the proposed Participant Councils as to their willingness to enter into the Services Agreement and Participants Agreement on the basis of the Services Agreement being awarded to Phoenix Energy, and to nominate their annual quantities of Committed Waste and Optional Waste.

**CARRIED 14/0**

**MOVED MUNN/TRENT**

That the meeting be re-opened to the public and resume Standing Orders.

**CARRIED 14/0**

**9. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

<b>9.1 Confirmation of the Minutes of the Ordinary Council Meeting held on the 10 April 2014</b>
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**MOVED THOMSON/JONES**

That the minutes of the meetings held on the 10 April 2014 be **ADOPTED**.

**CARRIED 14/0**

**10. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

Nil

**11. QUESTIONS WITHOUT NOTICE**

Nil

**12. ANNOUNCEMENTS OF CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC**

Refer to Item 19.1 - brought forward to Item 8.

**13. BUSINESS NOT DEALT WITH FROM PREVIOUS MEETING**

Nil

**14. REPORTS OF OFFICERS****14.1 Payments for the Period 1 April 2014 to 31 May 2014****MOVED TRENT/MITCHELL**

Council ENDORSE the following list of payments covering the period 1 April 2014 to 31 May 2014:

**PAYMENT SUMMARY****April 2014**

Voucher Remittance No.	DATE	CREDITOR NAME	DETAILS	AMOUNT (INC. GST) \$
288	01.04.14	National Australia Bank	Credit Card – March, catering	250.20
289	01.04.14	Debra Norgate	Office clean	99.00
290	01.04.14	Australia Post	Postage and sundries	158.00
291	01.04.14	Rivers Regional Council	Sitting Fees January to March	30,200.00
292	01.04.14	Rivers Regional Council	Petty Cash recoup	254.80
293	02.04.14	Rivers Regional Council	Salaries and Wages	9,874.95
294	03.04.14	AusRecord	Stationery	46.76
295	07.04.14	Lanier Australia	Photocopier meter reading	55.08
296	07.04.14	Debra Norgate	Office clean	99.00
297	07.04.14	Melville Subaru	Car service – RWEC vehicle	989.15
298	08.04.14	WA Super	Super Guarantee and Salary Sacrifice - March	4,341.88
299	14.04.14	IINET	Internet and Broadband	89.85
300	14.04.14	WALGA	Waste to Energy Forum – registration for Cr's Mitchell and Munn	100.00
301	14.04.14	Aust-Guard Security	Patrol response to security alarm	96.50
302	14.04.14	Shire of Waroona	Reimbursement of travel expenses 2013/2014 – Cr Dew	425.96

Voucher Remittance No.	DATE	CREDITOR NAME	DETAILS	AMOUNT (INC. GST) \$
303	14.04.14	Seville Domestic Maintenance	Garden and yard maintenance	99.00
304	14.04.14	Debra Norgate	Office clean	99.00
305	14.04.14	Action Couriers	Courier Fee	56.76
306	14.04.14	Cr Ron Hoffman	Travel claim – 30.10.13 to 10.04.14	319.48
307	15.04.14	Corporate Traveller	Overseas site visits – flights to Spain, Poland and Japan	26,922.00
308	15.04.14	Corporate Traveller	Overseas site visits – train fares	2,184.00
309	17.04.14	Corporate Traveller	Overseas site visits – accommodation in Spain and Poland	3,951.00
310	17.04.14	Examiner Newspapers	Advertising – worm farm workshop	310.00
311	17.04.14	Rivers Regional Council	Salaries and wages	9,860.95
312	17.04.14	Cleanaway	School Education Program – Cities of Gosnells and Armadale schools	4,499.00
313	17.04.14	Myriad Images	Advertising design – worm farm workshop	137.50
314	22.04.14	EMRC	Forum of Regional Councils – reimbursement 01.01.14 to 31.03.14	5,325.46
315	22.04.14	Staples	Stationery and sundries	82.26
316	22.04.14	Caltex StarCard	Fuel – CEO and RWECC vehicles – March	817.44
317	22.04.14	Debra Norgate	Office clean	99.00
318	23.04.14	Armadale City News	Stationery and sundries	30.00
319	23.04.14	Talis Consultants	Consultancy services – March	13,277.94
320	23.04.14	The Manse Restaurant	Catering	140.00
321	23.04.14	City of Mandurah	Regional Funding Program – preliminary payment	66,000.00
322	24.04.14	Australian Taxation Office	Business Activity Statement – January to March	1,749.00
323	24.04.14	Corporate Traveller	Overseas site visits – airport lounge passes and travel insurance	999.00
324	28.04.14	Red Ember IT Consultancy	Monthly IT Cloud hosting fee	639.93
325	28.04.14	Debra Norgate	Office clean	99.00
326	28.04.14	Braxford Consultancy	Probity Audit Services - Tender	2,374.62
327	28.04.14	Myriad Images	Design for advertising – E-waste	275.00
328	28.04.14	O'Neil Real Estate	Office rent	2,833.61
329	28.04.14	Telstra	Telephone calls and equipment rental	267.33
330	28.04.14	Officeworks	Stationery	107.72

Voucher Remittance No.	DATE	CREDITOR NAME	DETAILS	AMOUNT (INC. GST) \$
331	29.04.14	Rivers Regional Council	Salaries and wages	9,842.60
332	30.04.14	National Australia Bank	CEO vehicle service, parking, foreign currency for overseas site visits	2,402.76
			TOTAL FOR APRIL	\$162,045.54

### May 2014

Voucher Remittance No.	DATE	CREDITOR NAME	DETAILS	AMOUNT (INC. GST) \$
333	02.05.14	City of Gosnells	Switch your thinking! Licence Fee 2013/2014	11,000.00
334	02.05.14	Seville Domestic Maintenance	Office – repairs eaves	330.00
335	05.05.14	Debra Norgate	Office clean	99.00
336	07.05.14	Lanier Australia	Photocopier meter reading	56.91
337	07.05.14	WA Super	Super Guarantee and Salary Sacrifice – April	6,508.54
338	08.05.14	Foothills Sustainability Centre	Worm Farming Workshop – Byford	330.00
339	12.05.14	Debra Norgate	Office clean	99.00
340	12.05.14	WA Local Govt Assoc	Marketforce advertising – change of meeting date April	373.32
341	13.05.14	IINET	Internet and broadband	89.85
342	14.05.14	Rivers Regional Council	Salaries and wages	10,455.70
343	16.05.14	Seville Domestic Maintenance	Garden maintenance	99.00
344	19.05.14	Herbert Smith Freehills	Legal advice – Tender	3,749.49
345	19.05.14	Synergy	Electricity – office	431.70
346	19.05.14	Debra Norgate	Office clean	99.00
347	21.05.14	Australian Taxation Office	Payroll Tax – April	9,930.26
348	21.05.14	Australian Taxation Office	Fringe Benefit Tax – 01.04.13 to 31.03.14	5,546.00
349	21.05.14	Rural Press	Education – advertising – worming farm workshop	1,755.60
350	21.05.14	Armadale City News	Stationery and sundries	44.20
351	21.05.14	Caltex StarCard	Fuel – CEO and RVEC vehicles	558.50
352	22.05.14	Talis Consultants	Consultancy Services – Tender	12,410.31
353	22.05.14	Seville Domestic Maintenance	Office – repair ridge capping	330.00



Voucher Remittance No.	DATE	CREDITOR NAME	DETAILS	AMOUNT (INC. GST) \$
354	26.05.14	Telstra	Telephone calls and equipment rental	269.33
355	26.05.14	Debra Norgate	Office clean	99.00
356	28.05.14	Rivers Regional Council	Salaries and wages	10,085.15
357	29.05.14	O'Neil Real Estate	Office rent	2,833.61
358	29.05.14	Myriad Images	Update to style guide	357.50
359	29.05.14	Braxford Consultancy	Probity Audit Services – Tender	3,448.50
360	29.05.14	Red Ember IT Solutions	Monthly Cloud hosting	639.93
361	30.05.14	National Australia Bank	Credit Card – May - Overseas site visits - accommodation in Japan, meals and sundry expenses – Spain, Poland and Japan	11,484.75
			TOTAL FOR MAY	\$93,514.15

**CARRIED 14/0**

<b>14.2 Financial Report for the Period 1 April 2014 to 31 May 2014</b>
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**MOVED BUSBY/URBAN**

**Council ADOPTS the financial statements for the period 1 April 2014 to 31 May 2014 as follows:**

## INCOME STATEMENT BY PROGRAM

YTD % is

92%

ACCOUNT DESCRIPTION	REVISED ESTIMATE 2013/14 \$	REVISED BUDGET YTD \$	ACTUAL YTD \$	YTD ACTUAL TO REVISED YTD BUDGET %	YTD ACTUAL VARIANCE TO REVISED YTD BUDGET %	ACTUAL TO REVISED BUDGET %
<b>Operating Revenue</b>						
General Purpose Funding	45,000	41,250	40,239	97.55%	(2.45)%	89.42%
Governance	324,000	324,000	324,000	100.00%	(0.00)%	100.00%
Education	172,000	172,000	172,000	100.00%	(0.00)%	100.00%
Community Amenities	434,000	434,000	430,566	99.21%	(0.79)%	99.21%
<b>TOTAL OPERATING     REVENUE</b>	<b>975,000</b>	<b>971,250</b>	<b>966,805</b>	<b>99.54%</b>	<b>(0.46)%</b>	<b>99.16%</b>
<b>Operating Expenditure</b>						
Governance	(397,364)	(364,250)	(296,730)	81.46%	(18.54)%	74.67%
Education	(395,501)	(362,542)	(294,601)	81.26%	(18.74)%	74.49%
Community Amenities	(553,864)	(553,864)	(430,140)	77.66%	(22.34)%	77.66%
<b>TOTAL OPERATING     EXPENDITURE</b>	<b>(1,346,728)</b>	<b>(1,280,656)</b>	<b>(1,021,470)</b>	<b>79.76%</b>	<b>(20.24)%</b>	<b>75.85%</b>
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS SURPLUS / (DEFICIT)</b>	<b>(371,728)</b>	<b>(309,406)</b>	<b>(54,666)</b>	<b>17.67%</b>	<b>(82.33)%</b>	<b>14.71%</b>

**GENERAL PURPOSE INCOME**

YTD % is

**92%**

ACCOUNT DESCRIPTION	REVISED ESTIMATE 2013/14 \$	ACTUAL \$	ACTUAL TO REVISED BUDGET %
Operating Revenue Interest	45,000	40,241	89%
<b>Total Operating Revenue</b>	<b>45,000</b>	<b>40,241</b>	<b>89%</b>

**GOVERNANCE**

YTD % is

**92%**

ACCOUNT DESCRIPTION	REVISED ESTIMATE 2013/14 \$	ACTUAL \$	ACTUAL TO REVISED BUDGET %
Operating Revenue Contribution from Member Councils	324,000	324,000	100%
<b>Total Operating Revenue</b>	<b>324,000</b>	<b>324,000</b>	<b>100%</b>
<b>Operating Expenditure</b>			
Functions	(15,000)	(12,316)	82%
Meetings	(6,000)	0	0%
Sitting Fees	(110,000)	(86,180)	78%
Conferences & Seminars	(15,000)	(6,476)	43%
Subscriptions - MWAC , FORC and Others	(60,000)	(40,960)	68%
Travel	(5,000)	(4,085)	82%
Administration Allocation	(186,364)	(146,714)	79%
<b>Total Operating Expenditure</b>	<b>(397,364)</b>	<b>(296,730)</b>	<b>75%</b>

**ADMINISTRATION****YTD % is****92%**

<b>ACCOUNT DESCRIPTION</b>	<b>REVISED ESTIMATE 2013/14 \$</b>	<b>ACTUAL \$</b>	<b>ACTUAL TO REVISED BUDGET %</b>
<b>Operating Revenue</b>			
Other Income	500	258	52%
<b>Total Operating Revenue</b>	<b>500</b>	<b>258</b>	<b>52%</b>
<b>Operating Expenditure</b>			
Salaries and Wages	(250,000)	(204,302)	82%
Superannuation	(37,000)	(29,332)	79%
Leave Accruals	(6,000)	0	0%
Insurance - Workers Compensation	(9,000)	(6,395)	71%
Training and Conferences	(9,000)	(9,696)	108%
Fringe Benefits Tax	(10,900)	(9,784)	90%
Accounting Services	(23,000)	(8,650)	38%
Bank Fees	(1,000)	(764)	76%
Advertising	(3,000)	(1,433)	48%
Information Technology	(20,000)	(14,828)	74%
Insurance - Other	(8,000)	(7,242)	91%
Legal Services	(10,000)	(3,763)	38%
Other Office Expenses	(12,000)	(13,557)	113%
Publications	(500)	(510)	102%
Furniture and Equipment	(2,000)	(562)	28%
Health and Safety	(500)	(13)	3%
Accommodation	(40,000)	(35,143)	88%
Travel Expenses	(7,500)	(5,009)	67%
Consultants	(5,000)	(5,040)	101%
Depreciation	(12,009)	(11,019)	92%
<b>Total Operating Expenditure</b>	<b>(466,409)</b>	<b>(367,042)</b>	<b>79%</b>

**EDUCATION**

YTD % is

**92%**

<b>ACCOUNT DESCRIPTION</b>	<b>REVISED ESTIMATE 2013/14 \$</b>	<b>ACTUAL \$</b>	<b>ACTUAL TO REVISED BUDGET %</b>
<b>Operating Revenue</b>			
Contributions from Member Councils	162,000	162,000	100%
Other Income - Switch your Thinking	10,000	10,000	100%
- City of Mandurah (\$3,500)			
- City of South Perth (\$3,500)			
- Shire of Murray (\$1,500)			
- Shire of Waroona (\$1,500)			
<b>Total Operating Revenue</b>	<b>172,000</b>	<b>172,000</b>	<b>100%</b>
<b>Operating Expenditure</b>			
Salaries and Wages	(140,000)	(120,756)	86%
Superannuation	(13,000)	(11,162)	86%
Leave Accruals	(4,000)	0	0%
Insurance - Workers Compensation	(4,200)	(4,200)	100%
Training	(3,000)	(2,304)	77%
Fringe Benefits Tax	(6,250)	(5,731)	92%
Advertising	(20,000)	(6,540)	33%
Information Technology	(5,000)	(4,758)	95%
Insurance - Other	(2,000)	(1,914)	96%
Other Office Expenses	(1,000)	(123)	12%
Printing	(1,000)	0	0%
Publications	(500)	(180)	36%
Public Relations/Community Meetings	(1,000)	0	0%
Projects	(50,000)	(25,887)	52%
Switch your Thinking	(10,000)	(10,000)	100%
Travel	(8,000)	(6,592)	82%
Cleanaway Program	(25,000)	(15,255)	61%
Schools Funding	(2,000)	0	0%
Depreciation	(6,368)	(5,843)	92%
Administration Allocation	(93,182)	(73,357)	79%
<b>Total Operating Expenditure</b>	<b>(395,500)</b>	<b>(294,601)</b>	<b>74%</b>

**COMMUNITY AMENITIES****YTD % is 92%**

<b>ACCOUNT DESCRIPTION</b>	<b>REVISED ESTIMATE 2013/14 \$</b>	<b>ACTUAL \$</b>	<b>ACTUAL TO REVISED BUDGET %</b>
<b>Operating Revenue</b>			
Contribution from Member Councils	324,000	324,000	100%
DEC - Regional Investment Plan	110,000	106,566	97%
<b>Total Operating Revenue</b>	<b>434,000</b>	<b>430,566</b>	<b>99%</b>
<b>Operating Expenditure</b>			
Meetings	(2,000)	(1,706)	85%
Advertising	(3,000)	(1,885)	63%
Legal Services	(65,000)	(52,923)	81%
Other Office Expenses	(2,000)	0	0%
Publications	(500)	0	0%
DEC-Regional Investment Plan	(110,000)	(60,000)	55%
Tender Process	(60,000)	(41,360)	69%
Project Management	(75,000)	(77,541)	103%
Travel - AWT Site Visits	(50,000)	(48,011)	96%
Administration Allocation	(186,364)	(146,714)	79%
<b>Total Operating Expenditure</b>	<b>(553,864)</b>	<b>(430,140)</b>	<b>78%</b>

ACCOUNT DESCRIPTION		ACTUAL YTD \$
<b>Closing Funds represented by:</b>		
<b>Current Assets</b>		
Cash		50,251
Reserve		10,788
Cash Management a/c		217,940
Term Deposit Municipal Investment *	162,000	
Term Deposit Municipal Investment***	0	162,000
Term Deposit Reserve Investment*	188,000	
Term Deposit Reserve Investment**	550,000	738,000
Debtors/Accrued Income		1,650
<b>Total Current Assets</b>		<b>1,180,630</b>
<b>Current Liabilities</b>		
Creditors and Accounts payable		2,063
Leave Provisions		109,877
<b>Total Current Liabilities</b>		<b>111,940</b>
<b>Net Current Assets</b>		<b>1,068,690</b>
<b>Less:</b>		
Accumulated Surplus		374,567
Restricted assets		748,788
<b>TOTAL EQUITY</b>		<b>1,123,355</b>
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS SURPLUS / (DEFICIT)</b>		<b>(54,666)</b>

\* NAB 45 days at 3.37% matures 18/06/14

14-361-6099

\*\* NAB 91 days at 3.70% matures 7/07/14

17-630-6898

\*\*\* NAB closed 23/04/14

39-323-3007

#### FINANCIAL RATIOS IN RELATION TO YTD FIGURES

<b>CURRENT RATIO</b>	
Current Assets less Restricted Assets	431,842
Current Liabilities less Liabilities Associated with Restricted Assets	32,837
Current Ratio =	13
<b>DEBT RATIO</b>	
Total Liabilities	111,940
Total Assets	1,235,272
Debt Ratio =	0.0906
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS SURPLUS / (DEFICIT)</b>	<b>(54,666)</b>

**CONTRIBUTION SETTING STATEMENT**

<b>ACCOUNT DESCRIPTION</b>	<b>REVISED ESTIMATE 2013/14 \$</b>	<b>ACTUAL \$</b>
<b>Operating Revenue</b>		
General Purpose Funding	45,000	40,241
Governance	0	0
Education	10,000	10,000
Community Amenities	110,000	106,566
<b>Total Operating Revenue</b>	<b>165,000</b>	<b>156,807</b>
<b><u>Less:</u></b>		
<b>Operating Expenditure</b>		
Governance	(397,364)	(296,730)
Education	(395,501)	(294,601)
Community Amenities	(553,864)	(430,140)
<b>Total Operating Expenditure</b>	<b>(1,346,728)</b>	<b>(1,021,471)</b>
<b>NET OPERATING SURPLUS / (DEFICIT) BEFORE CONTRIBUTIONS</b>	<b>(1,181,728)</b>	<b>(864,666)</b>
<b><u>Less:</u></b>		
<b>Capital Expenditure</b>		
Governance	0	0
Administration		0
Education	0	0
<b><u>Plus:</u></b>		
<b>Capital Income</b>		
Education	0	0
<b><u>Less:</u></b>		
Transfers to Reserves	(28,377)	0
<b><u>Plus:</u></b>		
Transfers from Reserves	0	0
<b><u>Plus:</u></b>		
Surplus Carry Fwd from Previous Yr	447,907	447,907
<b>Write Back:</b>		
Depreciation	18,377	16,862
Leave Accruals	10,000	0
<b>Contributions from Member Councils</b>	<b>810,000</b>	<b>810,000</b>
<b>SURPLUS / (DEFICIT)</b>	<b>76,179</b>	<b>410,104</b>
<b>Net Change in Assets Resulting From Operations</b>	<b>(371,728)</b>	<b>(54,666)</b>
<b>Non Operating Income</b>		
Purchase Of Assets - equipment	0	0
<b>Non Operating Expenses</b>		
Purchase Of Assets - equipment	0	0
<b>Adjustment For Non Cash Items</b>		
Depreciation	18,377	16,862
Amounts Set Aside To Leave Provisions	10,000	0
<b>Transfer (to)/from Reserves (net)</b>	<b>(28,377)</b>	<b>0</b>
<b>Surplus Brought Forward</b>	<b>447,907</b>	<b>447,907</b>
<b>SURPLUS</b>	<b>76,179</b>	<b>410,104</b>



**14.3 Draft Budget 2014/2015**

**MOVED MITCHELL/JONES**

**That Council ADOPT:**

- 1. The transfer of \$33,377 for the 2013/14 financial year to Reserves.**
- 2. A material variance threshold of plus/minus 10% at program level.**
- 3. The transfer of \$215,000 for the 2014/15 financial year from the Resource Recovery Reserve and necessary funds from the Asset Replacement Reserve to fund the shortfall in the replacement of two council vehicles.**
- 4. The Budget for the period 1 July 2014 to 30 June 2015 as follows:**



Helping create a zero waste environment

# ANNUAL BUDGET

## 2014 - 2015



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## **BUDGET CERTIFICATION FOR THE YEAR 2014/2015**

This is to certify that the Annual Budget of the Rivers Regional Council for the year ending 30 June 2015 was adopted at the Ordinary Meeting of Council held on 19 June 2014.

This is a true copy of the Annual Budget and associated schedules and notes adopted by the Council.

**Signed:** \_\_\_\_\_ **(Chairman)**

**Signed** \_\_\_\_\_ **(Chief Executive Officer)**

**Dated this** \_\_\_\_\_



## 1.0 OPERATIONS

The Rivers Regional Council's budget for the 2014/2015 year has been calculated on a balanced budget scenario utilising surpluses brought forward from 2013/2014 and maintaining Members contributions the same as 2013/2014 of \$810,000 and utilising appropriate transfers from Reserve funds.

The Regional Council's un-audited, projected 2013/2014 surplus of \$131,191 net current assets less restricted cash plus liabilities supported by Reserves as at 30 June 2014 has been brought forward into general revenue and will be used to offset expenditure budgeted to be incurred in 2014/2015.

The relatively small surplus is the result of primarily the final stages of the Tender process for a Resource Recovery Facility carry into 2014/2015 and some Education Projects not being completed as originally planned.

## 2.0 RESERVE FUNDS

Council has three reserve funds. These are as follows:-

### **Reserve 1 Resource Recovery and Waste Minimisation Research and Development**

The purpose of this reserve is to establish a fund which may be used for research into resource recovery and waste minimisation options and opportunities. It will include the hiring of specialists, review of operations elsewhere and undertaking both primary and secondary research into waste minimisation technologies and processes, as well as determining the best solution for the region's resource recovery and waste minimisation program. It is proposed that Funds will be transferred in 2014/2015 from this reserve to cover costs incurred in 2013/2014 in the AWT tender process and thus provide municipal funds for operations in the early months of 2014/2015 before members' contributions are received.

### **Reserve 2 Staff Annual and Long Service Leave**

The purpose of this reserve is to provide for future long serve entitlements as accrued by staff in the employ of the Regional Council. This also includes accrued annual leave entitlement accruals.

### **Reserve 3 Asset Replacement**

The purpose of this reserve is to provide for asset replacement. The value of the depreciation of the Regional Council's assets will be transferred into the asset replacement fund. Funds from this reserve will be used to part fund the proposed purchase of the two vehicles included in this budget.

The allocations are:

RESERVE	1/7/2014 OPENING BALANCE \$	TRANSFER FROM ACCUMULATED SURPLUS \$	TRANSFERRING TO OPERATIONS \$	30/06/2015 CLOSING BALANCE \$
Resource Recovery	\$640,571	\$0	\$215,000	\$425,571
Annual Leave & LSL	\$105,203	\$10,000	0	\$115,203
Asset Replacement	\$36,391	\$16,740	\$37,000	\$16,131
	<b>\$782,165</b>	<b>\$26,740</b>	<b>\$252,000</b>	<b>\$556,905</b>

### 3.0 FEES & CHARGES

The following schedule of fees and charges for 2013/14 are proposed to continue for 2014/2015.

BUDGET 2014/15 FEES AND CHARGE	2013-2014			2014-2015		
	CHARGE	GST	TOTAL	CHARGE	GST	TOTAL
Provision of emailed electronic documents (pdf)	No charge	No charge	No charge	No charge	No charge	No charge
Provision of electronic copies of documents on CD or floppy disk	\$10.00 per disk	\$1.00	\$11.00	\$10.00 per disk	\$1.00	\$11.00
Postage of disks	At cost	At cost	At cost	At cost	At cost	At cost
Provision of hard copies						
<ul style="list-style-type: none"> <li>Black &amp; white per page</li> </ul>	20c	2c	22c	20c	2c	22c
<ul style="list-style-type: none"> <li>Colour per page</li> </ul>	\$2.50	25c	\$2.75	\$2.50	25c	\$2.75
<ul style="list-style-type: none"> <li>Postage of hard copies</li> </ul>	At cost	At cost	At cost	At cost	At cost	At cost
Staff time to collect and copy information per hour pro rata (time includes research, travel, and travel costs, reviewing archives and photocopying documents)	\$75.00	N/a	\$75.00	\$75.00	N/a	\$75.00
Agendas & Minutes subscription						
<ul style="list-style-type: none"> <li>Electronic emailed</li> </ul>	\$60.00 pa	\$6.00	\$66.00	\$60.00 pa	\$6.00	\$66.00
<ul style="list-style-type: none"> <li>Electronic Posted</li> </ul>	\$100.00 pa	\$10.00	\$110.00	\$100.00 pa	\$10.00	\$110.00
<ul style="list-style-type: none"> <li>Hard copy posted</li> </ul>	\$160.00 pa	\$16.00	\$176.00	\$160.00 pa	\$16.00	\$176.00
<ul style="list-style-type: none"> <li>Postage</li> </ul>	at cost	At cost	At cost	at cost	At cost	At cost
Freedom of Information Applications						
<ul style="list-style-type: none"> <li>Personal Information of Applicant</li> </ul>	No charge	Nil	Nil	No charge	Nil	Nil
<ul style="list-style-type: none"> <li>Application fee</li> </ul>	\$30.00	N/A	\$30.00	\$30.00	N/A	\$30.00
<ul style="list-style-type: none"> <li>Dealing with application (per hour pro rata) - copying, research, supervision etc.)</li> </ul>	\$75.00	N/A	\$75.00	\$75.00	N/A	\$75.00

**4.0 CONTRIBUTION SETTING STATEMENT FOR PERIOD ENDING 30 JUNE 2015**

<b>ACCOUNT DESCRIPTION</b>	<b>BUDGET 2013/14 \$</b>	<b>FORECAST 2013/14 \$</b>	<b>BUDGET 2014/15 \$</b>
<b>Operating Revenue</b>			
General Purpose Funding	40,000	45,000	30,000
Education	10,000	10,000	10,000
Community Amenities	300,000	110,000	190,000
<b>Total Operating Revenue</b>	<b>350,000</b>	<b>165,000</b>	<b>230,000</b>
<b>Less:</b>			
<b>Operating Expenditure</b>			
Governance	(359,170)	(362,864)	(408,332)
Education	(418,175)	(385,660)	(426,001)
Community Amenities	(652,170)	(543,184)	(455,332)
<b>Total Operating Expenditure</b>	<b>(1,429,515)</b>	<b>(1,291,708)</b>	<b>(1,289,665)</b>
<b>NET OPERATING SURPLUS/(DEFICIT) BEFORE CONTRIBUTIONS</b>	<b>(1,079,515)</b>	<b>(1,126,708)</b>	<b>(1,059,665)</b>
<b>Less:</b>			
<b>Capital Expenditure</b>			
Governance	0	0	(50,000)
Administration	0	0	(35,000)
Education			0
<b>Plus:</b>			
<b>Capital Income</b>	0	0	
Administration			28,000
Education	0	0	20,000
<b>Less:</b>			
Transfers to Reserves	(31,315)	(33,377)	(26,740)
<b>Plus:</b>			
Transfers from Reserves	0	0	252,000
<b>Plus:</b>			
Surplus Carry Fwd from Previous Yr	326,748	447,907	131,199
<b>Write Back:</b>			
Profit on Sale of Assets	0	0	(5,075)
Depreciation	21,315	18,377	16,740
Leave Accruals	10,000	15,000	10,000
<b>Contributions from Member Councils</b>	<b>810,000</b>	<b>810,000</b>	<b>810,000</b>
<b>SURPLUS/(DEFICIT)</b>	<b>57,233</b>	<b>131,199</b>	<b>91,459</b>

COUNCIL CONTRIBUTIONS	2013 Tonnes	BUDGET \$	(A) FORECAST \$	(B) BUDGET \$	(B) - (A) Variance \$
	2014/15	2013/14	2013/14	2014/15	
Armadale	22,446	\$161,125	\$161,125	\$167,970	\$6,845
Gosnells	35,641	\$264,615	\$264,615	\$266,712	\$2,097
South Perth	13,855	\$97,516	\$97,516	\$103,681	\$6,165
Mandurah	27,158	\$192,787	\$192,787	\$203,231	\$10,444
Serpentine Jarrahdale	4,993	\$52,650	\$52,650	\$37,364	(\$15,286)
Murray	2,724	\$31,519	\$31,519	\$20,385	(\$11,134)
Waroona	1,424	\$9,788	\$9,788	\$10,656	\$868
<b>TOTAL</b>	<b>108,241</b>	<b>\$810,000</b>	<b>\$810,000</b>	<b>\$810,000</b>	<b>(\$0)</b>

## 5.0 STATEMENT OF CASH FLOWS FOR PERIOD ENDING 30 JUNE 2015

ACCOUNT DESCRIPTION	BUDGET 2013/14 \$	FORECAST 2013/14 \$	BUDGET 2014/15 \$
<b>Receipts</b>			
Interest	40,000	45,000	30,000
Contributions	891,000	891,000	891,000
Goods and Services Tax	86,320	70,570	75,200
Other Income	341,550	150,425	220,550
<b>Total Receipts</b>	<b>1,358,870</b>	<b>1,156,995</b>	<b>1,216,750</b>
<b>Payments</b>			
Employee Costs	(474,500)	(444,353)	(496,900)
Materials & Contracts	(917,520)	(792,367)	(699,300)
Goods and Services Tax	(112,050)	(93,684)	(109,556)
Other Expenditure	(93,000)	(129,180)	(139,000)
<b>Total Payments</b>	<b>(1,597,070)</b>	<b>(1,459,584)</b>	<b>(1,444,756)</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>(238,200)</b>	<b>(302,589)</b>	<b>(228,006)</b>
<b>Cash Flows from Investing Activities</b>			
Payment for Purchase of Plant and Equipment	0	0	(85,000)
Proceeds from Sale of Plant & Equipment	0	0	48,000
<b>Net Cash Used in Investing Activities</b>	<b>0</b>	<b>0</b>	<b>(37,000)</b>
<b>Net Cash used in Financing Activities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Increase/ (Decrease) in Cash Held</b>	<b>(238,200)</b>	<b>(302,589)</b>	<b>(265,006)</b>
<b>Cash at the Beginning of the Year</b>	<b>1,107,323</b>	<b>1,241,729</b>	<b>939,141</b>
<b>Cash at the end of the Year</b>	<b>869,123</b>	<b>939,141</b>	<b>674,135</b>



**6.0 NOTES TO THE STATEMENT OF CASHFLOWS****(A) Reconciliation of Net Cash used in operating activities to Operating Result**

	<b>BUDGET 2013/14 \$</b>	<b>FORECAST 2013/14 \$</b>	<b>BUDGET 2014/15 \$</b>
Operating Result	(269,515)	(316,707)	(249,665)
Depreciation	21,315	18,377	16,740
Profit on sale of assets      Increase/(Decrease)		0	(5,075)
Provision for Leave      Increase/(Decrease)	10,000	15,000	10,000
Sundry Creditors      Increase/(Decrease)	0	(28,673)	0
Trade Debtors      (Increase)/Decrease	0	17,875	0
Accrued Expenses      Increase/(Decrease)	0	(10,494)	(6)
Prepayments      Increase/(Decrease)	0	2,033	0
<b>Net Cash provided by Operating Activities</b>	<b>(238,200)</b>	<b>(302,589)</b>	<b>(228,006)</b>

**(B) Reconciliation of Cash**

	<b>BUDGET 2013/14 \$</b>	<b>FORECAST 2013/14 \$</b>	<b>BUDGET 2014/15 \$</b>
Cash at Bank	85,719	156,675	116,929
Cash on Hand	300	300	300
Cash at Bank - Restricted Reserves	783,103	782,165	556,905
<b>Cash Assets</b>	<b>869,123</b>	<b>939,141</b>	<b>674,135</b>

**7.0 STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDING 30 JUNE 2015**

	<b>BUDGET 2013/14 \$</b>	<b>FORECAST 2013/14 \$</b>	<b>BUDGET 2014/15 \$</b>
<b>CURRENT ASSETS</b>			
Cash	869,123	939,141	674,135
Prepayments	0	0	0
Accounts Receivable	5,676	14,366	14,366
<b>Total Current Assets</b>	<b>874,798</b>	<b>953,507</b>	<b>688,501</b>
<b>CURRENT LIABILITIES</b>			
Payables	23,940	20,451	20,451
Employee Entitlements	119,677	124,877	134,877
<b>Total Current Liabilities</b>	<b>143,617</b>	<b>145,327</b>	<b>155,328</b>
<b>NET CURRENT ASSETS</b>	<b>731,181</b>	<b>808,180</b>	<b>533,174</b>
<b>NON CURRENT ASSETS</b>			
Fixed Assets (Net)	50,171	53,110	78,450
<b>Total Non Current Assets</b>	<b>50,171</b>	<b>53,110</b>	<b>78,450</b>
<b>NON CURRENT LIABILITIES</b>			
Employee Entitlements	0	0	0
<b>Total Non Current Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET ASSETS</b>	<b>781,352</b>	<b>861,289</b>	<b>611,624</b>
<b>EQUITY</b>			
Accumulated Surplus	1,250	79,125	54,720
Reserves	780,102	782,165	556,904
<b>TOTAL EQUITY</b>	<b>781,352</b>	<b>861,289</b>	<b>611,624</b>

**8.0 STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDING 30 JUNE 2015**

	<b>BUDGET 2013/14 \$</b>	<b>FORECAST 2013/14 \$</b>	<b>BUDGET 2014/15 \$</b>
<b>ACCUMULATED SURPLUS</b>			
Balance at the Beginning of the Year	302,080	429,209	79,125
Change in Net Assets Resulting from Operations	(269,515)	(316,707)	(249,665)
Transfer to Reserves	(31,315)	(33,377)	(26,740)
Transfer from Reserves	0	0	252,000
<b>Balance at the End of the Period</b>	<b>1,250</b>	<b>79,125</b>	<b>54,720</b>
<b>RESERVES - CASH BACKED</b>			
Balance at the Beginning of the Year	748,787	748,788	782,165
Transfer from Accumulated Surplus	31,315	33,377	26,740
Transfer to Accumulated Surplus	0	0	(252,000)
<b>Balance at the End of the Period</b>	<b>780,102</b>	<b>782,165</b>	<b>556,904</b>
<b>TOTAL EQUITY</b>	<b>781,352</b>	<b>861,289</b>	<b>611,624</b>

**9.0 SIGNIFICANT ACCOUNTING POLICIES****9.1 *The RRC Reporting Entity***

The budget statements have been prepared on the basis of two funds (Municipal Fund and Reserve Funds). For the purposes of reporting all transactions and balances, the Municipal and Reserve Funds have been consolidated.

**9.2 *Basis of Accounting***

The budget statements have been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), other mandatory professional reporting requirements, the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.

Except for cash flow and contribution setting information, the budget has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**9.3 *Disclosure of Revenue and Expenses by Nature and Type.***

The budget statements have been developed with regard to function and activity (i.e. Schedules). Where considered applicable, notes have been applied to the budget statements to clarify detail and in accordance with the Local Government (Financial Management) Regulations.

#### **9.4 Provision for Employees or Employee Entitlements**

The provision for employee entitlements relates to amounts expected to be paid to employees for annual leave and long service leave and is based on legal and contractual entitlements and assessments having regard to experience of staff departures and leave utilisation. Current wage rates are used in the calculation of the provisions. Sick leave is non-vesting and therefore no liability is recognised for the current sick leave entitlements of employees.

Annual leave is accrued on a pro rata basis and the amount assessed as due to employees is classified in the accounts as a current liability.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

#### **9.6 Grants, Donations and Other Contributions**

All grants, donations and contributions from the Participants are recognized as revenues during the current reporting period.

Other contributions include rebates through the Western Australian Local Government Association's joint advertising scheme in which the Regional Council participates.

#### **9.7 Details of Functions**

##### Governance

Expenditure items include payments of expenses to Members (Councillors) and estimates of the administrative costs involved in the conduct of the RRC.

##### Education

Includes the implementation of a Regional Waste Education Program.

##### Community Amenities

Expenditure items relate to the involvement of the Regional Council in research and development relevant to waste management. In 2013-2014 expenditure will also relate to overseas travel to visit AWT sites and the development of a tender including legal costs, for an Alternative Waste Treatment Provision for Services model.

#### **9.8 Superannuation Fund**

Employees currently participate in the Local Government Superannuation Scheme. Employees have been offered a choice of fund for superannuation contributions other than the superannuation guarantee payments, in accordance with the Australian Taxation Office requirements.

The Superannuation Guarantee was set at 9.25% but will increase to 9.50% from 1 July 2014. Contributions are shown as an expense. No liability has been recognised in these financial statements.

### 9.9 **Comparative Figures**

The actual revenue and expenditure figures as at 30 June 2014, as listed in this budget, have not been finalised and confirmed by audit. As such, the figures quoted are estimates of revenues and expenditures. Where required, comparative figures have been adjusted to conform with changes in presentation for the current budget year.

### 9.10 **Materiality**

This budget has been framed in accordance with Australian Accounting Standard AAS5 - Materiality. Information is material if its omission, misstatement or non disclosure has the potential to adversely affect:

- Decisions about the allocation of scarce resources made by the users of this budget, or
- The discharge of accountability by the management or governing body of the entity.

### 9.11 **Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Cash flows are presented on a Gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

### 9.12 **Definition of Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

### 9.13 **Member Sitting Fees**

This budget makes provision for sitting fees as follows:

ITEM	NOTE	FEES AND ALLOWANCES
Councillors Annual Meeting Attendance Fee	12	\$7,500 ea (x 13)
Chairman's Annual Meeting Attendance Fee	12	\$10,000
Chairman's Allowance	12	\$10,000
Deputy Chairman's Allowance	12	\$2,500
Deputy Councillors Fee	12	\$200 per meeting

Other allowances include travel allowance at cost in accordance with Local Government (WA) Officers Award.

This budget includes a total of \$125,000 for Councillor fees and allowances – refer Note 12.

## **10.0 COMPONENT FUNCTIONS/ACTIVITIES**

### **10.1 Statutory Requirements**

The Rivers Regional Council is currently seeking quotations for suitable Auditors for the period 1 July 2013 to 30 June 2016 financial years. In view of significant changes anticipated for subsequent years with the establishment of an AWT and more detailed compliance requirements a revised scope of audit has been issued with quotes received that will be considered by the Audit Committee in 2013/2014 with subsequent selection of an Auditor.

### **10.2 Statement of Objectives**

The South East Metropolitan Regional Council was formally constituted by the first Establishment Agreement in June 2001 to undertake waste management research on behalf of the Cities of Armadale, Gosnells and South Perth.

Subsequently, by a second Establishment Agreement the Participants agreed to amend the First Establishment Agreement by revoking it and substituted the Second Establishment Agreement. The name continued as the South East Metropolitan Regional Council.

The Participants agreed to amend the second Establishment Agreement by revoking it and substituting it with a third Establishment Agreement. By a Deed of Amendment the City of Mandurah, Shire of Murray and the Shire of Serpentine Jarrahdale became Participants. Under the third Establishment Agreement the name was changed to the Rivers Regional Council (RRC). This was formally approved by the Minister for Local Government on the 6 June 2008. Subsequently the Shire of Waroona became a member of the RRC effective from 3 June 2009.

The RRC is established for the following regional purposes:

- a) To undertake the processing, recycling, treatment, sale and disposal of Household Waste delivered by the Participants;
- b) To investigate and assess the possibilities and methodology of carrying out and to identify funding opportunities for, any service or facility on a regional basis;
- c) Without limiting any of the other regional purposes set out in this clause:
  - i. To investigate and assess the possibilities and methodologies of undertaking the processing, recycling, treatment, sale and disposal of waste, other than Household Waste, which is delivered by the Participants (but not to carry out that undertaking); and
  - ii. To acquire any interest in land considered by the RRC to be necessary or desirable to accommodate facilities for the processing, recycling, treatment, sale and disposal of waste referred to in sub-paragraph (i);
- d) To influence and liaise with local, State and Federal Governments in the development of policies and legislation for the benefit of the Region;
- e) To provide advice, information and education to the Participants and the communities of the Participants in relation to the functions of the Participants; and
- f) To carry out and do all other acts and things which are reasonably necessary for the bringing into effect of the purposes referred to in the paragraphs (a) to (e).

### 10.3 Cost Sharing

The Rivers Regional Council's Establishment Agreement provides for annual contributions towards a Budget Deficiency be made as follows:

$$\text{Participants contribution} = \text{BD} \times \frac{\text{TP}}{\text{TTP}}$$

Where:

- (a) *BD is Budget Deficiency;*
- (b) *TP is the number of tonnes of the Participant's Waste in the previous year;*
- (c) *TTP is the number of tonnes of all of the Participants' Waste in the previous year;*
- (d) *"previous year" means the financial year preceding the financial year in which the Budget deficiency is to occur.*

Using the tonnages data provided by Participants for the 2012/2013 financial year application of the above resulted in the following percentages against each of the Participants:-

<b>MEMBER COUNCIL</b>	<b>TONNES</b>	<b>%</b>
Armadale	22,446	20.74%
Gosnells	35,641	32.93%
South Perth	13,855	12.80%
Mandurah	27,158	25.09%
Serpentine Jarrahdale	4,993	4.61%
Murray	2,724	2.52%
Waroona	1,424	1.32%
<b>TOTAL</b>	<b>108,241</b>	<b>100.00%</b>

These percentages have been used in calculating the proportional contributions provided for in the 2014/2015 budget.

**11.0 STATEMENT OF COMPREHENSIVE INCOME BY NATURE AND TYPE**

<b>ACCOUNT DESCRIPTION</b>	<b>BUDGET 2013/14 \$</b>	<b>FORECAST 2013/14 \$</b>	<b>BUDGET 2014/15 \$</b>
<b>Operating Revenue</b>			
Grants	0	0	0
Interest	40,000	45,000	30,000
Contributions	810,000	810,000	810,000
Other Income	310,500	120,500	200,500
<b>Total Operating Revenue</b>	<b>1,160,500</b>	<b>975,500</b>	<b>1,040,500</b>
<b>Operating Expenditure</b>			
Employee Costs	(482,700)	(466,150)	(505,000)
Materials & Contracts	(833,000)	(678,500)	(634,500)
Depreciation	(21,315)	(18,377)	(16,740)
Other Expenditure	(93,000)	(129,180)	(139,000)
<b>Total Operating Expenditure</b>	<b>(1,430,015)</b>	<b>(1,292,207)</b>	<b>(1,295,240)</b>
Profit (Loss on Asset Disposal)	0	0	5,075
<b>NET RESULT</b>	<b>(269,515)</b>	<b>(316,707)</b>	<b>(249,665)</b>
<b>Other Comprehensive Income</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(269,515)</b>	<b>(316,707)</b>	<b>(249,665)</b>

**12.0 MEMBER COUNCILS DELEGATE ALLOWANCES**

	<b>NOTE</b>	<b>BUDGET 2013/14 \$</b>	<b>FORECAST 2013/14 \$</b>	<b>BUDGET 2014/15 \$</b>
Members Sitting Fees	9.13	75,000	116,180	120,000
Other Allowances		4,000	5,000	5,000
<b>TOTAL</b>		<b>79,000</b>	<b>121,180</b>	<b>125,000</b>



**13.0 ASSET MOVEMENTS [Reg. 27(d)]**

<b>Assets</b>	<b>Balance 30/6/14 \$</b>	<b>Disposals</b>	<b>Additions</b>	<b>Balance 30/6/15 \$</b>
Land and Buildings	0	0	0	0
Computer Equipment	14,127	0	0	14,127
Furniture and Equipment	12,464	0	0	12,464
Plant and Equipment	71,411	71,411	85,000	85,000
Infrastructure	0	0	0	0
<b>TOTAL</b>	<b>98,002</b>	<b>71,411</b>	<b>85,000</b>	<b>111,591</b>

**13.1 Asset Acquisitions for 2014/15**

<b>BY PROGRAM</b>	<b>BUDGET 2014/2015 \$</b>
Administration	50,000
Education	35,000
<b>BY CLASS</b>	
Plant and Equipment	85,000

**14.0 DEPRECIATION**

Assets are capitalised and amortized using the straight line depreciation method as follows:-

<b>CLASSIFICATION</b>	<b>YEARS</b>
Buildings	50
Computers & Equipment	3
Furniture	5
Plant & Equipment	5
Infrastructure Assets	30

This budget provides for depreciation of assets to be transferred to an asset replacement reserve fund. Depreciation included in this budget is as follows:

<b>ASSET TYPE</b>	<b>PROGRAM</b>	<b>BUDGET 2013/14 \$</b>	<b>FORECAST 2013/14 \$</b>	<b>BUDGET 2014/15 \$</b>
Computers & Equipment	Education			
Computers & Equipment	Administration	2,900	2,553	725
Furniture & Equipment	Education	0	0	0
Furniture & Equipment	Administration	1,687	1,118	1,118
Vehicles	Education	7,927	5,905	6,537
Vehicles	Administration	8,338	8,339	8,351
<b>TOTAL</b>		<b>21,315</b>	<b>18,377</b>	<b>16,740</b>

#### 15.0 INVESTMENT INFORMATION [Reg. 27e & 28]

All investments are valued at cost and interest on those investments is recognised when accrued:

<b>INVESTMENT TYPE</b>	<b>BUDGET 2013/14 \$</b>	<b>FORECAST 2013/14 \$</b>	<b>BUDGET 2014/15 \$</b>
Cash Management Accounts	40,000	45,000	30,000
<b>TOTAL</b>	<b>40,000</b>	<b>45,000</b>	<b>30,000</b>

#### 16.0 BORROWINGS [Reg. 29]

There are no outstanding borrowings brought forward and no proposed new borrowing for the 2014/2015 financial year.

#### 17.0 STRATEGIC COMMUNITY PLAN

This Budget has been prepared having regard to the contents of the Strategic Community Plan and Corporate Business Plan 2013 – 2023 presented to Council at the June 2013 Ordinary Council meeting.

#### 18.0 POSITION AT COMMENCEMENT OF THE FINANCIAL YEAR [Reg. 31]

The position at the commencement of the financial year has been calculated as per Local Government (Financial Management) Regulations 31 and 32 as follows. The final figures from the 30 June 2014 are unconfirmed.

<b>CURRENT ASSETS</b>	<b>ESTIMATED AS AT 30 JUNE 2014 \$</b>	<b>BUDGET AS AT 30 JUNE 2015 \$</b>
<b>Cash &amp; Investments</b>		
Municipal Fund	156,976	117,231
Reserve Funds	782,165	556,904
<b>Sub-Total</b>	<b>939,141</b>	<b>674,135</b>
<b>Receivables</b>		
Trade Debtors and Prepayments	14,366	14,366
<b>Sub-Total</b>	<b>14,366</b>	<b>14,366</b>
<b>Total Current Assets</b>	<b>953,507</b>	<b>688,501</b>

<b>CURRENT LIABILITIES</b>	<b>ESTIMATED AS AT 30 JUNE 2014 \$</b>	<b>BUDGET AS AT 30 JUNE 2015 \$</b>
Payables & Provisions	145,327	155,328
<b>Total Current Liabilities</b>	<b>145,327</b>	<b>155,328</b>

<b>Net Current Assets</b>	<b>808,180</b>	<b>533,173</b>
Less Cash Restricted	782,165	556,904
Plus Liabilities Supported by Reserves	105,184	115,189
Plus transferred from Non Current Liabilities	0	0
<b>Estimated Surplus C/Fwd</b>	<b>131,199</b>	<b>91,459</b>

**19.0 TRADING UNDERTAKINGS [Reg. 27(j)]**

The Council does not consider any of its activities come under the definition of Trading Undertakings as per the Local Government Act 1995.

**20.0 MAJOR LAND TRANSACTIONS [Reg. 27(k)]**

No activities of this nature as defined in the Local Government Act 1995 are proposed for this financial year.

**21.0 OPERATING STATEMENT BY SCHEDULE****21.1 General Purpose Funding**

ACCOUNT DESCRIPTION	BUDGET 2013/14 \$	FORECAST 2013/14 \$	BUDGET 2014/15 \$
<b>Operating Revenue</b>			
Interest	40,000	45,000	30,000
<b>Total Operating Revenue</b>	<b>40,000</b>	<b>45,000</b>	<b>30,000</b>

**21.2 Governance**

ACCOUNT DESCRIPTION	BUDGET 2013/14 \$	FORECAST 2013/14 \$	BUDGET 2014/15 \$
<b>Operating Revenue</b>			
Contribution from Member Councils	324,000	324,000	324,000
<b>Total Operating Revenue</b>	<b>324,000</b>	<b>324,000</b>	<b>324,000</b>
<b>Operating Expenditure</b>			
Functions	(15,000)	(13,000)	(15,000)
Meetings	(6,000)	0	(6,000)
Sitting Fees	(75,000)	(116,180)	(120,000)
Conferences & Seminars	(15,000)	(7,000)	(15,000)
Subscriptions - MWAC & Other	(60,000)	(46,000)	(60,000)
Travel	(4,000)	(5,000)	(5,000)
Administration Allocation	(184,170)	(175,684)	(187,332)
<b>Total Operating Expenditure</b>	<b>(359,170)</b>	<b>(362,864)</b>	<b>(408,332)</b>

**21.3 Education**

<b>ACCOUNT DESCRIPTION</b>	<b>BUDGET 2013/14 \$</b>	<b>FORECAST 2013/14 \$</b>	<b>BUDGET 2014/15 \$</b>
<b>Operating Revenue</b>			
Contributions from Member Councils	162,000	162,000	162,000
Other Income - Switch your Thinking	10,000	10,000	10,000
- City of Mandurah (\$3,500)			
- City of South Perth (\$3,500)			
- Shire of Murray (\$1,500)			
- Shire of Waroona (\$1,500)			
<b>Total Operating Revenue</b>	<b>172,000</b>	<b>172,000</b>	<b>172,000</b>
<b>Operating Expenditure</b>			
Salaries & Wages	(140,000)	(133,000)	(140,000)
Superannuation	(13,000)	(13,000)	(13,000)
Leave Accruals	(4,000)	(6,500)	(4,000)
Insurance - Workers Compensation	(4,200)	(4,200)	(4,500)
Training	(3,000)	(3,000)	(4,000)
Fringe Benefits Tax	(3,000)	(6,250)	(6,500)
Advertising	(20,000)	(20,000)	(25,000)
Information Technology	(5,000)	(5,000)	(5,000)
Insurance - Other	(2,000)	(2,000)	(2,500)
Other Office Expenses	(1,000)	(1,000)	(1,000)
Printing	(1,000)	(1,000)	(1,000)
Publications	(500)	(500)	(500)
Public Relations/Community Meetings	(1,000)	(1,000)	(1,000)
Projects	(75,000)	(50,000)	(75,000)
Switch your Thinking	(10,000)	(10,000)	(10,000)
Travel	(8,000)	(8,000)	(8,000)
Cleanaway program	(25,000)	(25,000)	(25,000)
Schools funding program	(2,000)	(2,000)	(2,000)
Profit (Loss) on Sale of Assets	0	0	2,205
Depreciation	(8,390)	(6,368)	(6,540)
Administration Allocation	(92,085)	(87,842)	(93,666)
<b>Total Operating Expenditure</b>	<b>(418,175)</b>	<b>(385,660)</b>	<b>(426,001)</b>

**21.4 Community Amenities**

<b>ACCOUNT DESCRIPTION</b>	<b>BUDGET 2013/14 \$</b>	<b>FORECAST 2013/14 \$</b>	<b>BUDGET 2014/15 \$</b>
<b>Operating Revenue</b>			
Contribution from Member Councils	324,000	324,000	324,000
DEC - Regional Investment Plan	300,000	110,000	190,000
<b>Total Operating Revenue</b>	<b>624,000</b>	<b>434,000</b>	<b>514,000</b>
<b>Operating Expenditure</b>			
Meetings	(2,000)	(2,000)	(2,000)
Advertising	(3,000)	(3,000)	(3,000)
Legal Services	(50,000)	(65,000)	(20,000)
Other Office Expenses	(2,000)	(2,000)	(2,000)
Publications	(1,000)	(500)	(1,000)
DEC - Regional Investment Plan	(300,000)	(110,000)	(190,000)
Tender Process	(20,000)	(60,000)	(10,000)
Project Management	(50,000)	(75,000)	(40,000)
Travel - overseas AWT Site Visits	(40,000)	(50,000)	0
Environment - Due Diligence	0	0	0
Environment - Approvals	0	0	0
Contract Negotiations-Probity Officer	0	0	0
Administration Allocation	(184,170)	(175,684)	(187,332)
<b>Total Operating Expenditure</b>	<b>(652,170)</b>	<b>(543,184)</b>	<b>(455,332)</b>

**21.5 Administration**

<b>ACCOUNT DESCRIPTION</b>	<b>BUDGET 2013/14 \$</b>	<b>FORECAST 2013/14 \$</b>	<b>BUDGET 2014/15 \$</b>
<b>Operating Revenue</b>			
Other Income	500	500	500
<b>Total Operating Revenue</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>Operating Expenditure</b>			
Salaries & Wages	(250,000)	(230,000)	(260,000)
Superannuation	(37,000)	(30,000)	(37,000)
Leave Accruals	(6,000)	(8,500)	(6,000)
Insurance - Workers Compensation	(9,000)	(9,000)	(9,000)
Training & Conferences	(9,000)	(12,000)	(10,000)
Fringe Benefits	(4,500)	(10,700)	(11,000)
Accounting Services	(20,000)	(23,000)	(24,000)
Bank Fees	(1,000)	(1,000)	(1,000)
Advertising	(3,000)	(3,000)	(3,000)
Information Technology	(20,000)	(20,000)	(15,000)
Insurance - Other	(8,000)	(8,000)	(8,000)
Legal Services	(10,000)	(4,000)	(10,000)
Other Office Expenses	(10,000)	(15,000)	(15,000)
Publications	(500)	(500)	(500)
Furniture & Equipment	(2,000)	(2,000)	(2,000)
Health and Safety	(500)	(500)	(500)
Accommodation	(40,000)	(38,000)	(40,000)
Travel Expenses	(7,500)	(6,500)	(7,500)
Consultants	(10,000)	(6,000)	(2,000)
Profit (Loss) on Sale of Assets	0		2,870
Depreciation	(12,925)	(12,009)	(10,200)
<b>Total Operating Expenditure</b>	<b>(460,925)</b>	<b>(439,709)</b>	<b>(468,830)</b>
<b>Net Administration Costs to be allocated</b>	<b>(460,425)</b>	<b>(439,209)</b>	<b>(468,330)</b>
<b>Allocation of Administration Expenditure</b>			
Governance	184,170	175,684	187,332
Education	92,085	87,842	93,666
Community Amenities	184,170	175,684	187,332
<b>Total Allocations</b>	<b>460,425</b>	<b>439,209</b>	<b>468,330</b>

**CARRIED 14/0  
(ABSOLUTE MAJORITY ACHIEVED)**

**14.4 Regional Waste Education Coordinator - Progress Report****MOVED MITCHELL/CALA**

That the Regional Waste Education Coordinator Report be RECEIVED.

**CARRIED 14/0****14.5 CEO - Activity Update****MOVED JONES/MUNN**

That the CEO's Activity Update be RECEIVED.

**CARRIED 14/0****14.6 Chief Executive Officer – Annual Performance Review****MOVED DEW/KIRKPATRICK**

Mr John Phillips of John Phillips Consulting, be appointed to the position of external facilitator as referred to in the CEO's employment contract and be requested to commence the Annual Performance Reviews with the view to completing them prior to the October Ordinary Council Meeting for the next three (3) years, subject to his Professional Indemnity and Public Liability policies being in place.

**CARRIED 14/0****14.7 Conference Attendance - Enviro 2014, Pathways for Better Business****MOVED MUNN/THOMSON**

That Council ENDORSE the attendance of the Chairman and CEO at the Enviro 2014 Conference to be held in Adelaide 17 - 19 September 2014 as per Council's Conferences and Training Policy.

**CARRIED 14/0****15. REPORTS OF COMMITTEES****15.1 Audit Committee**

Minutes of an 'Out of Session' decision by the Audit Committee on Tuesday 10 June 2014 are as follows.

**MOVED KIRKPATRICK/THOMSON**

That the minutes of the Audit Committee on 10 June 2014 be ADOPTED as follows:





## AUDIT COMMITTEE

### MINUTES

**FOR AN OUT OF SESSION DECISION ON 10 JUNE 2014  
PRIOR TO THE ORDINARY COUNCIL MEETING TO BE HELD  
ON 19 JUNE 2014**

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#### 1. COMMITTEE MEMBERS

##### **Councillors**

Cr Ron Hoffman	City of Gosnells
Cr Kerry Busby	City of Armadale
Cr Kevin Trent	City of South Perth
Cr Shane Jones	City of Mandurah
Cr Barrie Thomson	Shire of Murray
Cr John Kirkpatrick	Shire of Serpentine Jarrahdale
Cr John Salerian	Shire of Waroona

##### **Officers**

Alex Sheridan	CEO
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#### 2. BUSINESS

##### **2.1 Provision of Audit Services**

##### **PURPOSE**

To consider quotes received for the appointment of an Auditor for three (3) financial years i.e. 2013/2014, 2014/2015, 2015/2016.

##### **BACKGROUND**

Council has utilised the services of Grant Thornton since 2006 for the purpose of its annual financial audit. At that time the CEO went to tender for successive years, however, the Common User Agreement through WALGA now provides for auditing and in accordance with that Agreement several quotes have been received.

Council Purchasing Policy in part states:

“\$1,001 - \$5,000            Obtain three (3) verbal quotes  
\$5,001 - \$20,000        Obtain two (2) written quotations where practicable.”

Quotes were sought from the following companies:

- Grant Thornton
- Macri Partners
- UHY Haines Norton

Summary of the three quotes are as follows:

• <b>Grant Thornton</b>	<b>(Ex GST)</b>
2013/2014 .....	\$8,500
2014/2015 .....	\$9,000
2015/2016 .....	\$9,500
• <b>Macri Partners</b>	<b>(Ex GST)</b>
2013/2014 .....	\$8,500
2014/2015 .....	\$9,000
2015/2016 .....	\$9,500
• <b>UHY Haines Norton</b>	<b>(Ex GST)</b>
2013/2014 .....	\$14,000
2014/2015 .....	\$15,000
2015/2016 .....	\$16,000

#### **COMMENT**

Grant Thornton has conducted the Regional Council 'Annual Audit' since 2006. In obtaining quotes, both Grant Thornton and Macri Partners are exactly the same for each of the three year term.

Grant Thornton, over the years, have been thorough and very professional in the service they provide and therefore, there is no particular reason why Council should change Auditors.

#### **RECOMMENDATION**

**That Michael Hillgrove and Simon Franich of Grant Thornton be the nominated registered Council Auditors for the provision of Audit services for three (3) financial years 1 July 2013 to 30 June 2016, as per quote dated April 2014.**

**CARRIED 7/0**

**END OF AUDIT COMMITTEE MEETING MINUTES**

**CARRIED 14/0**

## 16. REPORTS OF DELEGATES

### 16.1 Municipal Waste Advisory Council

The meeting of the Municipal Waste Advisory Council was held Tuesday 22 April 2014. Following is a summary of the main points:

**Battery Product Stewardship:** The MWAC Submission to the Battery Implementation Working Group Discussion Paper was endorsed. MWAC highlighted the importance of any Scheme having good coverage of both metropolitan and non-metropolitan areas and covering all types of batteries.

**Household Hazardous Waste Program:** In discussing the HHW Program, MWAC members requested clarification on what programs were in place for disposal of pharmaceuticals and other medical wastes generated in the home.

**Australian Packaging Covenant:** MWAC discussed ongoing membership of the Covenant and the current concerns with the APC's governance and effectiveness. Key considerations for ceasing to be a member of the Covenant included:

- Having a clear message of what MWAC would like the Covenant to be and achieve;
- Determining if MWAC could re-join the Covenant if matters changed; and
- Working with other State Local Government Associations to maximise the outcomes of leaving.

Cr Munn's summary of the main points for the meeting held Wednesday 18 June 2014 is as follows.

**Emission Reduction Fund White Paper Workshop:** WALGA is hosting this workshop on the implication of the proposed Fund and associated legislation. This will be useful for Local Governments to gain an understanding of the opportunities available. The flyer for the workshop is attached.

**MWAC Budget 2014/15:** The MWAC Budget for 2014/15 was approved.

**Waste Authority Services Unit:** Ms Teresa Williams, Executive Manager of the Unit, will be invited to present at the next MWAC meeting on her role and the intended outcomes.

**Next MWAC meeting:** Wednesday 27 August 2014, WALGA Building, ONE70 Railway Parade, West Leederville.

**Product Stewardship in Australia Discussion Paper:** MWAC endorsed the Paper, which is now available from the WasteNet Website (<http://www.wastenet.net.au/product-stewardship.aspx>). The Paper gives a comprehensive outline of the various Product Stewardship Schemes currently operating in Australia and identifies the key components for Local Government to support a Product Stewardship Scheme.

**WARR Levy Increase:** MWAC discussed the increase in the Levy and agreed to seek further clarification from the Waste Authority regarding the rationale and background information on which the increase was based. MWAC will also write to the Environment Minister to highlight the need for greater enforcement activities from State Government in relation to potential increases in illegal dumping and on Levy compliance. The other matter which will be raised with the Minister is a request to provide assistance to Local Government as there is likely to be an increase in illegal dumping. The WARR Amendment (Validation) Bill 2014 was also briefly discussed.

**Household Hazardous Waste Program Mk 3:** MWAC discussed the targets and rationale for the next phase of the Program and suggested several options to be modelled.

**Litter and Illegal Dumping:** MWAC staff will further develop the idea of a voluntary alliance to tackle litter and illegal dumping on a Government wide basis and report back to the next MWAC meeting.

**Landfill Development:** The importance of a step by step guide for Local Governments seeking to develop new landfills was emphasised. A report will be brought back to the next MWAC meeting on this issue.

**17. ELECTED MEMBER MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**18. NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE CHAIRMAN OR BY DECISION OF THE MEETING**

Nil

**19. CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC**

Report 19.1 brought forward to Item 8.

**20. ADVICE OF NEXT MEETING**

The next Ordinary Council Meeting will be held at the **City of Armadale** on **Thursday 21 August 2014**.

*Note: the Timetable i.e. **Confidential Attachment D** in regards to Confidential Item 19.1 indicates a Special Council Meeting on **Thursday 17 July 2014** is required. The CEO announced he has provisionally booked the City of South Perth, Civic Centre as the location.*

**21. CLOSURE**

There being no further business the meeting closed at 8.28pm.