



Meeting Summary

The information contained in this newsletter relates to matters discussed at the SMRC Regional Council Meetings during May and June 2016. The Meeting Summary may be circulated or tabled to elected members and officers of the member local governments of the SMRC. To request further information on articles in this Meeting Summary please email smrc@smrc.com.au or phone 9329-2700.

Chair, Cr Cameron Schuster	Melville
Deputy Chair, Cr Doug Thompson.....	Fremantle
Cr Kevin Allen	Cockburn
Cr Michael McPhail	East Fremantle
Cr Wendy Cooper.....	Kwinana

MEETINGS HELD SINCE LAST COUNCIL MEETING

May 23.....	Audit & Risk Committee
May 23.....	Stakeholder Relations Committee
June 9.....	Community Advisory Group
June 15.....	Agenda Briefing
June 30.....	Ordinary Council Meeting

AUDIT AND RISK COMMITTEE- 23 MAY

The Committee discussed the following matters:

1. Internal Audit Report – SMRC’s Auditors, William Buck Consulting, undertook the following audits and presented their finding to the Committee; Human Resources/Payroll review, Records Management and the follow-up of past audit reports.
2. DER Licence Assessment 2015-16 – DER reported that SMRC was compliant with all of the conditions of its EP Act Licence.
3. SMRC Accounting Policies have been amended to reflect changes in capital thresholds and depreciation.
4. Adoption of the 3-Year Assurance Program 2016-2019 as part of its internal audit program.
5. Risks rated 15+ are reported to the Committee each quarter

STAKEHOLDER RELATIONS COMMITTEE- 23 MAY

Branding/Rebranding

The Corporate Business Plan contains an action to rebrand the SMRC and RRRRC:

Objective 3.3 Our brand is positively recognised by the community Strategy 3.3.1 Building a brand identity that focuses on sustainable waste solutions

Actions b and c: Evaluate rebranding of the SMRC and RRRRC

The Committee recommended to consider the development of a new brand for the RRRRC and requested the CEO to engage a branding agency to assist and report back to the next committee meeting.

Footnote: As a result of the notice to withdraw from the RRRRC from the City of Cockburn, this action has been put on hold.

ORDINARY COUNCIL MEETING – 30 JUNE 2016

SALE OF MRF

The tender evaluation panel met on 21 June, where it was unanimously resolved to defer a decision on preferred tenderer status pending further discussion between the Project Participants’ regarding the potential impacts flowing from the resolution of the City of Cockburn to withdraw from the RRRRC project participants’ agreement.

The evaluation panel has scheduled a meeting for Friday 8 July to review the suspension of the tender process

FINAL REPORT WEEKLY RECYCLING EVALUATION

The results on the final report on the evaluation of weekly recycling services implemented within the region shows that the recyclables tonnage was 14.3% higher on average compared to 2012 levels (pre-weekly collections).

Most people surveyed were happy with the weekly service with 84% rating satisfaction at least 8 or above out of 10.

It should be noted, however, the revised Strategic Waste Management Plan (SWMP) recommends that consideration be given to reverting recycling bins to fortnightly collections with the option, if required for certain residents, that additional capacity be provided through larger capacity 360 litre MGB’s.

The issues of bin capacity and correct separation are related and should be addressed with a targeted campaign armed with knowledge of the types of households and demographic areas most likely to be affected.

The research was partly funded by the WA Waste Authority and the report titled WASTE AUDITS Contract 2012-001809-1 (Audits) FINAL Report 28 April 2016 is available on the SMRC website under Key Documents – Research Projects

NEW RESERVE FUND

A newly created cash backed reserve fund (RRRC Restoration Reserve) was established for the for the purposes of setting aside money for a future financial year to meet obligations at the expiry of the ground lease held by the SMRC. Funds required will be determined in 2016.



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PLANNING FOR THE FUTURE

Following extensive consultation with member councils, the SMRC resolved to adopt the three strategic plans, which will provide a platform for the orderly transition of the member’s existing asset base and business structures to an improved resource management framework based on strategic business partnerships.

1. Strategic Waste Management Plan Feb 2016 (SWMP);
2. SMRC Strategic Community Plan 2016 -2026;
3. Corporate Business Plan 2016 - 2020.

The plans are available on the SMRC website; www.smrc.com.au

Focus Area	What?	Why?
Business sustainability	Outsource, lease or convert existing infrastructure	Transition organisation from owner/operator to contract manager
	Independent cost accounting analysis of corporate and waste management overheads	Identify real cost reduction opportunities while maintaining good governance
Resource Recovery	Regional 3 bin trial that separates food, organic and garden organic waste (FOGO)	Maximise recovery of organics from waste stream Alignment with Waste Hierarchy
	Outsource FOGO composting system either on or off-site	Reduce processing cost Minimise ownership risk
	Revert to fortnightly recycling providing larger bins (360ltr) on a needs basis	Offset collection costs from introducing 3 bin system
	Consider Energy from Waste (EfW) for red bin residual waste only	Increase overall diversion rate Reduce processing cost
Stakeholder Relationships	Partner with other Regional Councils in developing EfW contracts	Minimise contract risk Economies of scale
	Partnering and sharing educational resources with State and Local governments	Consistent messaging Economies of scale
	Resident behaviour change program through continued development of Recycle Right	Consistent messaging Maintain Intellectual Property

2016/17 ANNUAL BUDGET

The Regional Council adopted its Annual Budget for 2016/17 which represents a \$29 million operational budget and a \$2.3 million capital expenditure budget providing for a number of waste management and environmental activities undertaken by the Regional Council on behalf of its member local governments.

Budget Summary:

- budget operating revenue decreased by \$355K (recycling commodity sales).
- Expenditure Savings for electricity, property insurance and RRRC Loan interest.

- to amend the budget should a changeover be undertaken in the budget financial year.
- Estimated closing balance (as at 30 June 2016) of \$2.1 million has been considered in the 2016/17 budget for funding:
 - Dividend to project participants for reducing the MRF gate fee.
 - Funding the MRF reduction in commodity prices
 - New Reserve – RRRC Restoration Reserve \$1M
 - Strategic Plan Initiatives e.g. three bin trial as per the Regional Waste Management Plan (\$150K).
 - Organisational reviews (Est agr review, corporate structure, overheads, RRRC Business Modeling) \$100K
 - Corporate rebranding \$50K

CORPORATE POLICY REVIEW

The following existing policies were reviewed and adopted:

- a. Conference & Industry Events Attendance No 1.5
- b. Accounting Policy No 2.1
- c. Authorisation and Payment of Accounts No 2.2
- d. Pricing No 2.6
- e. RRRC Contingency and Development Reserve Fund No 2.7
- f. RRRC Plant Reserve Fund No 2.8
- g. Office Accommodation Reserve Policy No 2.9
- h. RRRC Property Insurance Reserve Policy No 2.10
- i. Participants' Estimated Resident Population No 2.11
- j. Travel & Conference Reserve No 2.12

Members Contributions:

- SMRC Annual Contributions towards Governance and education average increase of 2.5%
- Materials Recovery Facility Gate Fee – No increase
- Green Waste Gate Fee – No increase
- Waste Composting Facility Gate Fee increase 2.8%
- RRRC Total Loan repayments – Reduction due to lower interest rates
- The MRF budget is “Business as Usual”, with a strategy

FINANCIAL REPORTS

The projected financial position for 2015/16 is expected to increase by \$1 Million. Savings in the WCF for power, insurance and plant maintenance expenses has resulted in a \$900K budget surplus as at the 31 May 2016.