

# WESTERN METROPOLITAN REGIONAL COUNCIL



CONSTITUENT MUNICIPALITIES: ●CITY OF SUBIACO ●TOWN OF CLAREMONT  
●TOWN OF COTTESLOE ●TOWN OF MOSMAN PARK ●SHIRE OF PEPPERMINT GROVE

## MINUTES

### ORDINARY REGIONAL COUNCIL MEETING – 2 AUGUST 2006 (RC 06/04)

**Shire of Peppermint Grove  
1 Leake Street  
PEPPERMINT GROVE**

**COMMENCEMENT: 5.30PM**

#### **Members**

Councillor R Norris	Town of Mosman Park (Chairman)
Councillor V Strzina	Town of Cottesloe
Councillor I Wallace	Shire of Peppermint Grove – to 6.35pm
Councillor R Wells	City of Subiaco

#### **Staff**

Mr P Pikor	Chief Executive Officer
Mr B Burnett	Operations Manager
Ms A Paino	Earthcarer Coordinator

#### **Apologies**

Councillor P Kelly	Town of Claremont (Deputy Chairman)
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#### **Technical Officers**

Ms R Levett	Town of Cottesloe
Mr T Mayor	Shire of Peppermint Grove
Mr K Pond	Town of Claremont
Mr M Ledger	City of Subiaco

#### **In Attendance**

Ms E Stevenson	McLeods - Solicitors
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**ORDINARY REGIONAL COUNCIL MEETING  
(RC 06/04)**

**1 DECLARATION OF OPENING**

The Meeting commenced at 5.30pm.

**2 RECORD OF ATTENDANCE/APOLOGIES/LEAVE**

Cr Paul Kelly

**3 DISCLOSURE OF INTEREST**

NIL

**4 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

NIL

**5 PUBLIC QUESTION TIME**

NIL

**6 APPLICATIONS FOR LEAVE OF ABSENCE**

NIL

**7 PETITIONS, APPROVED DEPUTATIONS AND PUBLIC STATEMENTS**

NIL

**8 CONFIRMATION OF PREVIOUS MINUTES**

**Minutes of the Western Metropolitan Regional Council Meeting (RC 06/03) held on Thursday, 1 June 2006, Special Regional Council Meeting (SRC 06/01) held on Thursday 29 June 2006 and Special Regional Council Meeting (SRC 06/02) held on Thursday 20 July 2006 all circulated previously under separate cover and attached (cream paper).**

Recommendation (Cr R Wells/Cr V Strzina)

- 8.1 The minutes of the Western Metropolitan Regional Council Meeting (RC 06/03) held on Thursday, 1 June 2006 be confirmed as a true and correct record.
- 8.2 The minutes of the Western Metropolitan Regional Council Special Regional Council Meeting (SRC 06/01) held on Thursday, 29 June 2006 be confirmed as a true and correct record.
- 8.3 The minutes of the Western Metropolitan Regional Council Special Regional Council Meeting (SRC 06/02) held on Thursday, 20 July 2006 be confirmed as a true and correct record.

**Motion Carried 4/0**

The Members considered that Item 9.7 RC 08/2006 be brought forward for consideration.

**Moved** (Cr V Strzina/Cr I Wallace)

**Motion Carried 4/0**

**9.7 Organic Resource Technologies (ORT) and perpetual Investment Management Limited (Perpetual) / Draft Waste Supply Agreement – Term Sheet**

Report submitted by Chief Executive Officer	
Dated: 25 July 2006	File No: 4.3.8
The report advised Members of the outcome of meeting held with ORT.	

The Memorandum of 31 July 2006 from the Chief Executive Officer regarding Additional Information to Item 9.7 RC 08/2006 was noted.

The Chief Executive Officer tabled a letter of advice from McLeods' of 2 August 2006 (see attachment A) in response to the previously circulated City of Subiaco's letter of 31 July 2006.

Cr R Wells foreshadowed an alternative motion and copies were circulated at the meeting (see attachment B).

**Moved** (Cr I Wallace/Cr V Strzina)

- 9.7.1 The Regional Council approves the revised Waste Supply Agreement – Term Sheet of 31 July 2006 as submitted with this report at attachment 1.
- 9.7.2 The Regional Council authorises the Chairman and Chief Executive officer to negotiate a final Waste Supply Agreement with Organic Resource Technologies (ORT) and Perpetual Investment Management Limited (Perpetual) to be presented to the Regional Council for approval.

**Motion Carried 3/1**

Cr R Wells voted against the resolution.

**9 STAFF REPORTS**

**9.1 Financial Statements/Budget Review and Reports for the Period Ended 30 June 2006**

Report submitted by Coordinator Accounting Services	
Dated: 25 July 2006	File No: 2.6
The report provided bi-monthly detail of the Western Metropolitan Regional Council's finances.	

**Moved (Cr R Wells/Cr V Strzina)**

9.1.1 The Financial Statements for the period ended 30 June 2006 be noted.

**Motion Carried 4/0**

**9.2 Investment Register for the Period Ended 30 May 2006 and 30 June 2006**

Report submitted by Coordinator Accounting Services	
Dated: 28 July 2006	File No: 2.8
The Investment Register provided monthly details of the Western Metropolitan Regional Council's Investment Register.	

**Moved (Cr R Wells/Cr V Strzina)**

9.2.1 The Investment Register for the period ended 31 May 2006 and 30 June 2006 be noted.

**Motion Carried 4/0**

**9.3 Schedule of Accounts for Payment and Sundry Debtors**

Report submitted by Coordinator Accounting Services	
Dated: 24 July 2006	File No: 2.6
The report provided bi-monthly detail of accounts for payment and accounts paid by electronic funds transfer.	

**Moved (Cr R Wells/Cr V Strzina)**

- 9.3.1 The payment of Municipal Fund Cheque Vouchers numbered 6062 to 6165 totalling \$644,037.91 be endorsed.
- 9.3.2 The Schedule of Accounts paid by Electronic Funds Transfer totalling \$32,084.15 be endorsed.
- 9.3.3 The Schedule of Sundry Debtors outstanding to 30 June 2006 be noted.

**Motion Carried 4/0**

**9.4 Waste Receipts Report to 30 June 2006**

Report submitted by Operations Manager	
Dated: 24 July 2006	File No: 2.6
The report provided detail on the waste receipt statistics for the period ending 30 June 2006.	

**Moved (Cr V Strzina/Cr I Wallace)**

- 9.4.1 The Waste Receipt Report for the period ending 30 June 2006 be noted.

**Motion Carried 4/0**

**9.5 Earth Carer's Report for June and July 2006**

Report submitted by Earthcarer Coordinator	
Dated: 24 July 2006	File No: 4.1.5
The report outlined the progress of the Earth Carer Programme.	

**Moved (Cr V Strzina/Cr R Wells)**

- 9.5.1 The report on the Earthcarers Volunteer Coordinator Programme dated 24 July 2006 be noted.

**Motion Carried 4/0**

**9.6 Future Directions Plan 2005 - 2009**

Report submitted by Chief Executive Officer	
Dated: 25 July 2006	File No: 6.1.1
The report provided the progress with the Future Directions Plan 2005 – 2009.	

**Moved (Cr I Wallace/Cr V Strzina)**

- 9.6.1 Chief Executive Officer's report on the progress of the Future Directions Plan 2005 – 2009 dated 25 July 2006 be noted.

**Motion Carried 4/0**

Item carried forward to before Item 9.1

**Moved (Cr V Strzina/Cr I Wallace)****9.7 Organic Resource Technologies (ORT) and perpetual Investment Management Limited (Perpetual) / Draft Waste Supply Agreement – Term Sheet**

Report submitted by Chief Executive Officer (see attached)	
Dated: 25 July 2006	File No: 4.3.8
The report advises Members of the outcome of meeting held with ORT.	

**9.8 Earthcarer's Future Strategic Plan 2005-2009**

Report submitted by Earthcarer Co-ordinator	
Dated: 25 July 2006	File No: 4.1.5
The report provided the progress on the Strategic Plan 2005-2009.	

**Moved (Cr R Wells/Cr V Strzina)**

- 9.8.1 The Earthcarer Coordinator's report on the progress of the Future Directions Plan 2005-2006 dated 25 July 2006 be noted.

**Motion Carried 4/0**

**9.9 Plan for the Future 2006-2009**

Report submitted by Chief Executive Officer	
Dated: 25 July 2006	File No: :6.1.1
The report outlined Plan for the Future 2006-2009	

**Moved (Cr V Strzina/Cr I Wallace)**

**NOTE: ABSOLUTE MAJORITY OF COUNCIL REQUIRED.**

9.9.1 The Future Plan 2006 – 2009 as shown on Attachment 1 to this report be adopted.

**Motion Carried by Absolute Majority 4/0**

**9.10 Draft Budget 2006/2007**

Report submitted by Operations Manager	
Dated: 25 July 2006	File No: 2.2
The report provided information on the Draft Budget	

**Moved (Cr I Wallace/Cr V Strzina)**

**NOTE: ABSOLUTE MAJORITY OF COUNCIL REQUIRED.**

9.10.1 The Regional Council adopts the Budget as presented for the year ending June 30, 2007.

9.10.2 The Regional Council authorises the Administration to impose penalty interest at a rate of 11% per annum calculated on a daily interest rate of 0.03% to be charged on amounts that are not paid within 35 days of the date of issue of invoice until the day before payment is made.

9.10.3 The Regional Council adopts the following Fees and Charges for the year ending June 30, 2007:

**BUDGET 2006/2007  
FEES AND CHARGES**

<b>TIPPING FEES</b>	<b>Current Fees GST Inclusive \$ 2005/2006</b>	<b>Proposed Fees GST Inclusive \$ 2006/2007</b>	<b>Increase \$</b>
<b>ALL RECEIVALS</b>			
<b>To September 30, 2006</b>			
Household putrescible waste*	82.50/tonne	85.80/tonne	3.30
Verge pickups - mixed waste*	82.50/tonne	85.80/tonne	3.30
Inert Waste* (rubble, concrete etc)	82.50/tonne	85.80/tonne	3.30
<b>From October 1, 2006</b>			
Household putrescible waste*	82.50/tonne	89.10/tonne	6.60
Verge pickups - mixed waste*	82.50/tonne	89.10/tonne	6.60
Inert waste* (rubble, concrete etc)	82.50/tonne	89.10/tonne	6.60
<b>To June 30, 2007</b>			
Verge pickups solely greenwaste*	44.00/tonne	44.00/tonne	nil
6x4 trailers – general waste	30.00 each	30.00 each	nil
Large trailers – general waste	42.00 each	42.00 each	nil
6x4 trailers – solely greenwaste	20.00 each	20.00 each	nil
Large trailers – solely greenwaste	25.00 each	25.00 each	nil
Greenwaste per tonne	44.00/tonne	44.00/tonne	nil
*A minimum charge of \$30.00 (inclusive of GST) applies.			
<b>TRANSFER STATION PASSES</b>			
General Waste	27.50 each	27.50 each	nil
Solely Greenwaste	15.00 each	15.00 each	nil
<b>INCIDENTAL RECEIVALS</b>			
<b>Tyres</b>			
Passenger, L.T. & 4 x 4	4.40 each	5.00 each	0.60
Passenger, L.T. & 4 x 4 on rim	5.00 each	8.00 each	3.00
Truck	10.00 each	10.00 each	nil
Truck on rim	nil	22.00 each	new fee
Super Single	15.00 each	15.00 each	nil
Tractor/Grader	nil	65.00 each	new fee
Other sizes on application	nil	as applicable	
<b>Asbestos</b> per sheet or the equivalent thereof	5.00/sheet	5.50/sheet	0.50
<b>LPG Gas Bottles</b>			
Up to 8.8kg	nil	6.00/bottle	new fee

**Motion Carried by Absolute Majority 4/0**

Cr I Wallace left the Meeting at 6.35pm.

**10 NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE PRESIDING MEMBER OR BY A DECISION OF THE MEETING**

**10.1** The Operations Manager advised that it is proposed that the website will be operational for the next Regional Council Meeting.

**10.2** Members commented on how well organised the Annual Dinner was and that staff be thanked for their efforts.

A letter of appreciation be forwarded to Mrs S Groves for organising the Annual Dinner

**Moved** (Cr R Wells/Cr V Strzina)

**Motion Carried 3/0**

**11 ITEMS REQUIRING CLOSURE OF MEETING TO PUBLIC.**  
NIL

**12 Bulletin for July 2006**

12.1 Bulletin for July 2006

**Moved** (Cr R Wells/Cr V Strzina)

12.1.1 The Bulletin for July 2006 be noted.

12.1.2 The Administration be requested to provide details and implications including transport, cost and routes on alternative waste disposal sites.

**Motion Carried 3/0**

**13 CLOSURE OF MEETING.**

**The Meeting closed at 6.40 pm.**

**I hereby certify the minutes of the Western Metropolitan Regional Council Committee Meeting held on 2 August 2006 were confirmed on 5 October 2006.**

**Signed: ..... Chairman**

**Attachment A**



Our Ref  
Your Ref

McL/S23/WEST-15664

2 August 2006

The Chief Executive Officer  
Western Metropolitan Regional Council  
PO Box 47  
MOSMAN PARK WA 6012

**Attention: Peter Pikor**

**McLEODS**



**BARRISTERS &  
SOLICITORS**  
Local Government Law  
Environmental Planning Law

Stirling Law Chambers  
220-222 Stirling Highway  
Claremont WA 6010  
Tel (08) 9383 3133  
Fax (08) 9383 4935  
Email:  
mcleods@mcleods.com.au

Denis McLeod (Counsel)  
David Nadebaum  
Geoffrey Owen  
Peter Wilkum  
Craig Starke  
Fiona Grigich  
Elisabeth Stevenson (Associate)

**By email**

Dear Sir

**ORT AND PERPETUAL – TERM SHEET FOR WASTE SUPPLY AGREEMENT**

We refer to your facsimile of 31 July 2006 and the copy of the letter attached to it from the City of Subiaco.

We agree that entry into the term sheet is not without risk and that those risks flow through to the participants in the WMRC. Our letter of 28 June 2006 sets out the main risks to WMRC of entry into the term sheet.

However, we do not agree that the term sheet minimises the risk to Project SPV. Under the term sheet Project SPV and/or ORT take all of the risk associated with the capital investment in constructing the Plant and of the process actually working. WMRC is exposed to the capital investment risk only if it defaults on the agreement and is exposed to the risk of the process not working in the sense that it will have to find other mechanisms for disposing of its waste and, if WMRC gives up its existing arrangements for disposal, it may go through a period where it has higher disposal costs while it sorts out alternative arrangements.

It seems to us that it is likely to be open to WMRC to maintain a practice of permanently disposing of its waste through facilities provided at the financial risk of other parties or to commit itself to shared risk of the provision of facilities through, for instance, committing itself to a secondary waste treatment facility proposed by EMRC. Presumably such options have their pros and cons in terms of being able to exercise some control over processing cost to WMRC, levels of exposure to financial risk of capital investment and the strengths and weaknesses both environmentally and financially of the kind of treatment processes.

Clearly these are issues that only WMRC can attempt to address and we have no view on how the level of risk associated with this option compares with the level of risk associated with doing nothing and paying market prices for disposal of waste, or in pursuing some other option.

We agree that committing to processing a specific quantity of waste through this plant also presents a risk. However, if WMRC chooses to go down this path we cannot see how Project

MIDLAND OFFICE: 35 SPRING PARK ROAD, MIDLAND  
ALL CORRESPONDENCE TO CLAREMONT OFFICE

SPV would be able to secure private investment without being able to demonstrate that it has secure supply commitments. Accordingly, we see this as an inherent risk of entering into this arrangement and it comes down to a question of WMRC's view on whether this risk is worth taking.

The arrangement with, originally ORT, and now ORT and Perpetual has been negotiated from the perspective of a partnering arrangement where both parties will share the risk of price increases and circumstantial change as well as any benefits that might accrue from such changes. Accordingly, we agree that the proposed agreement presents some risk to WMRC in that regard. However, WMRC's current arrangements expose it to risk of price increases and whether or not this proposal will represent a greater or lesser risk in that regard is dependent on the process and how it compares to other processes that are or become available.

We have discussed the risk of entering into an agreement to agree in our letter of 28 June 2006 and from a legal perspective it is always better to know exactly what is being committed to prior to a commitment being made. How genuine the commercial imperative is to pursue the matter in the way that is being proposed, that is, by prior entry into a term sheet followed by a more detailed agreement is a matter for WMRC to weigh up. However, agreements to agree of this nature are common when progress is subject to the obtaining of financial backing. As we have previously stated the risk to WMRC in entry into this kind of agreement is that there might be dispute over the terms of the supply agreement if WMRC is not satisfied that it reflects the terms of the term sheet. As Project SPV will not commit its capital without WMRC agreeing to the terms of the supply agreement, the risk of WMRC being sued for not entering into the supply agreement is quite small and if Project SPV was able to do so there would be no significant damage to Project SPV prior to any capital investment. Accordingly, it is our view that this aspect of the risk to WMRC is quite small.

The specific points raised in the City's letter relate in the main to the fact that the term sheet is not the final agreement. We agree that many matters will require clarification in the supply agreement but Project SPV will have very little capacity to argue that WMRC has agreed to anything that is not spelt out with any clarity in the term sheet. Accordingly, if WMRC is not happy with the detail of what is subsequently proposed in regard to matters not spelt out in the term sheet, it will have the capacity not to enter into the agreement until the detail is altered to something that it finds acceptable.

Other specific points raised in City's the letter address matters that have been covered previously or are addressed in our more general comments above.

We trust this is sufficient for your purposes at this stage. If you have any queries please do not hesitate to contact Elisabeth Stevenson.

Yours faithfully



**Attachment B**

-----Original Message-----

**From:** Rodney Wells [mailto:rwells@arach.net.au]

**Sent:** Wednesday, 2 August 2006 1:48 PM

**To:** CEO

**Subject:** Alternative resolution Item 9.7 2/8/06

I will be moving the following Alternative resolution to Item 9.7 RC 08/2006

1. That the concerns and specific comments raised in the letter dated 31/8/06 from the CEO of the City of Subiaco to the CEO of WMRC, be attended to and a response to each be provided to WMRC elected members and member councils in time for the September meetings of each council.

2: That formal comment be sought from member councils before committing to the final draft of ORT and Perpetual Investment Management Waste Supply Agreement - Term Sheet.

Rodney Wells

