

## ITEM NUMBER: 14.3

### ATTACHMENT 2

## INFORMATION REPORT – SOUTHERN REGION WASTE RESOURCE AUTHORITY – 4 MAY 2020 (Report No: 136/20)

*Pursuant to Section 90(2) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Council Members upon the basis that the Council consider the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that Council will receive, discuss or consider:*

- b. information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and would, on balance, be contrary to the public interest; and
- d. commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and would, on balance, be contrary to the public interest.

# Constituent Council Information Report

**- CONFIDENTIAL -**

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**Board Meeting Date:** 4 May 2020

**Report By:** Chief Executive Officer

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## Report

In accordance with Section 2.5.22 of the *Southern Region Waste Resource Authority Regional Subsidiary Charter - 2015*, the SRWRA Board identified the following Agenda Items to be the subject of a confidential Information Report to the Constituent Councils:

| Agenda Item | Report  |
|-------------|---|
| 1.6.1       | <p><b>Resolutions outside of Board Meeting –<br/>MRF Equipment – Procurement Recommendation</b></p> <p>Summary - The Board resolved by electronic voting on 20 February 2020 to:</p> <ul style="list-style-type: none"><li>- Authorise the Chief Executive Officer to advise Wastech that it is the preferred tenderer in the design and construct tender process but that the Board wishes to investigate opportunities for a design, construction and operation solution.</li><li>- Direct the Chief Executive Officer to seek an extension to the period of validity of the Wastech tender as appropriate to enable investigations to be concluded.</li><li>- Enter into exclusive negotiations with Re.Group under the SRWRA Unsolicited Bid Policy due to exceptional and/or unique circumstances.</li><li>- Authorise the CEO to enter into exclusive negotiations with Re.Group concerning the establishment of a Joint Venture for the design, construction and operation of the MRF for presentation to the Board.</li></ul> |
| 1.6.2       | <p><b>Resolutions outside of Board Meeting –<br/>Southern Recycling Centre (SRC) Lease</b></p> <p>Summary - The Board resolved by electronic voting on 24 February 2020 to:</p> <ul style="list-style-type: none"><li>- Authorise the SRWRA Chair and Chief Executive Officer to execute the Lease under the SRWRA Common Seal.</li></ul>   |

- 1.6.3 Resolutions outside of Board Meeting –  
Procurement of Materials for the Sideline Project**
- Summary - The Board resolved by electronic voting on 10 March 2020 to:
- Approve the waiving of the SRWRA Procurement Policy for the procurement of materials and services required for the Sideline Project.
  - Approve the procurement of materials and services required to complete the Sideline Project exceeding \$50,000.
  - Authorise the CEO to execute the required purchase orders and contracts.
- 3.1 MRF Exclusivity Period Outcomes**
- Summary - The report recommended that following the period of exclusive negotiations with Re.Group that the SRWRA Board enter into a Joint Venture Agreement with Re.Group for the design, construction and operation of the proposed Materials Recovery Facility (MRF) at the SRWRA resource recovery and landfill site at Seaford Heights.
- 3.3 Budget Review Three – July 2019 to March 2020**
- Summary - Draft Budget Review Three – Jul to Mar 2020 Finance Report was presented for consideration and adoption.
- 3.4 2020 - 2021 Draft Budget & Business Plan**
- Summary - The 2020-2021 Draft Budget Pack was presented for consideration. This includes the 2020-2021 Draft Budget, Long-Term Financial Plan and Capital Works Program.
- The 2020-2021 Draft Business Plan was presented for consideration.
- Following feedback from the Board, the 2020-2021 Draft Budget and Business Plan will be forwarded to the Constituent Councils for comment and then presented to the Board for formal adoption at its meeting on 1 June 2020.
- 4.1 Risk Management Report**
- Summary – The Risk Register has been updated to include a subsurface fire.
- Skytrust - SRWRA currently has no open incidents and all identified hazards have been addressed. EPA Licence Related Register - shows two complaints having been received since February 2020 for odour and dust.
- WHS & IM Plan - is on track with 67% proposed actions completed or partially completed.
- General Management - due to the Covid 19 social distancing regulations SRWRA is currently holding Administration and Operational meetings that involve staff at varying levels and means of communication and participation.
- Human Resources - SRWRA currently has two Workcover Claims in progress.



## financial summary

### snapshot so far end march 2020

92,274



**tonnes received**

5% below budget  
received through the  
gate

39% of waste



diversion of waste from landfill  
equals 36,444 tonnes

\$363,987



**current  
operating surplus**

7.72% below budget  
allow positive operations &  
to enable us to meet liabilities

\$479,836



**forecast  
operating surplus**

6.34% below budget  
to help facilitate key goals, to  
enable us to respond to ongoing  
needs

\$13,899,942 **investments**



will be used to help fund  
key projects such as the  
new mrf facility

\$1,236,033



**spent on  
capital works**

\$1,149,055 src shed extension  
\$84,485 mrf professional fees  
\$2,493 water tanker

\$9,056,287



**income**

8.84% below budget  
to support services and  
facilities

\$8,692,300 **expenditure**



8.89% above budget  
to provide services and  
facilities

\$218,684



**interest  
received**

8.35% uplift to interest income  
due to scheduled capital  
works being pushed back  
to quarter 4

\$1,001,933 **employee  
costs**



1.54% above budget  
due to restructure



unfavourable against budget >5%  
variable movement against budget >1% to <5%  
favourable against budget >5%