

Confirmation of the Confidential Minutes of the Finance and Audit Committee Meeting held on 26 February 2019

Originating Officer	Governance Officer - Victoria Moritz
Corporate Manager	Manager Corporate Governance - Kate McKenzie
General Manager	General Manager Corporate Services - Vincent Mifsud
Report Reference	GC190312F01

Confidential



Confidential Motion

1. That pursuant to Section 90(2) and (3)(b)(i)(ii) and (d)(i)(ii) of the *Local Government Act 1999*, the Council orders that all persons present, with the exception of the following persons: Adrian Skull, Vincent Mifsud, Abby Dickson, Tony Lines, Kate McKenzie, Craig Clarke, Ray Barnwell, Colin Heath, Victoria Moritz and Jaimie Thwaites be excluded from the meeting as the Council receives and considers information relating to the Waste Services Tender, upon the basis that the Council is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information contains commercial information that would on balance, be contrary to the public interest.

REPORT OBJECTIVE

The purpose of this report is to facilitate the receiving and noting of the confidential minutes from the 26 February 2019 Finance and Audit Committee meeting.

EXECUTIVE SUMMARY

The following confidential item was considered by Committee Members:

- S48 Prudential Management Review - Waste Services

RECOMMENDATION

That Council:

1. Receives and notes the confidential minutes of the Finance and Audit Committee of 26 February 2019 (Appendix 1).
2. Notes that separate reports will be brought to Council for consideration of any recommendations from the Finance and Audit Committee.
3. In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Council orders that this report, *Confirmation of confidential minutes of the Finance and Audit Committee meeting held on 26 February 2019* and any appendices arising from this report having been considered in confidence under Section 90(2) and (3)(b) and (d) of the Act, except when required to effect or comply with the Council's resolution(s) regarding this matter, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2019.

Attachment

#	Attachment	Type
1	Final Confidential Minutes_FAC190226	PDF File

MINUTES OF CONFIDENTIAL ITEM

11.02 am CONFIDENTIAL ITEMS

S48 Prudential Management Review - Waste Services

Report Reference: FAC100226F01

Moved Councillor Gard, Seconded Mrs. Hinchey

That pursuant to Section 90(2) and (3)(b)(i)(ii) and (d)(i)(ii) of the *Local Government Act 1999*, the Finance and Audit Committee orders that all persons present, with the exception of the following persons: Vincent Mifsud, Abby Dickson, Tony Lines, Kate McKenzie, Ray Barnwell, and Geoff Whitbread (via Phone), be excluded from the meeting as the Finance and Audit Committee receives and considers information relating to the Waste Services Tender, upon the basis that the Finance and Audit Committee is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information contains commercial information that would on balance, be contrary to the public interest.

Carried Unanimously

11.02 am The meeting moved into confidence

Mr Geoff Whitbread joined the meeting via teleconference.

The General Manager Corporate Services highlighted that the purpose of this report is to seek feedback from the Committee regarding the Prudential Management Section 48 Report for the Waste Services Tender and a potential Materials Recovery Facility (MRF) for domestic recycling at the Southern Region Waste Resources Authority (SRWRA). The report notes that the City of Marion has been working in collaboration with the Cities of Adelaide, Charles Sturt and Port Adelaide Enfield.

The trigger for a Prudential Management Section 48 Report is the large operating expenditure associated with the Waste Services contract and to ensure that Council completes its due diligence.

It was noted that a Prudential Management Section 48 Report must be completed by a person with the relevant skills and expertise. It was noted that Mr Whitbread has an extensive local government executive and legal background and whilst working in the eastern states, managed large procurements for waste contracts. He is also currently the government appointed Administrator at Roxby Downs Council.

Mr. Whitbread verified that he had completed the report and provided assurance that the relevant due diligence has been completed. He had been provided sufficient information to conclude that the administration can recommend to Council to proceed subject to keeping a close eye on the risks identified.

The Committee queried the public perception of where recyclables are going to end up due to the current issues in the sector ("China Sword"). More specifically, will the issue of separation of recyclables be managed through the tender?

These Minutes are subject to adoption at the Council Meeting to be held on 26 February 2019

Tuesday 26 February 2019 – Reference Number FAC190226

Mr Whitbread indicated that this report doesn't cover this topic however the risk identified is a political reputational risk that will need to be managed by each of the Councils.

In the eastern states, some Councils are still collecting recyclables however these are being disposed of in landfills. This issue is not yet being experienced in South Australia.

Mr Whitbread indicated that he didn't see any reason as to why the tender wouldn't proceed however the Councils should consider the appointment of a probity auditor and advisor for the tender due to the high profile of the Councils, the large financial impact of the tender, the potential media interest, to ensure the process is sound and the associated risks are mitigated.

Moved Ms Johnston, Seconded Councillor Gard that the Finance and Audit Committee:

- 1. Notes the Independently prepared S48 Prudential Management report in relation to the Council Solutions Waste Services tender.**
- 2. Recommends to Council that the City of Marion participate in the waste management tender process;**
- 3. Recommends to Council that Council should commit its yellow bin municipal commingled domestic recyclables to SRWRA, in the event that a proposed Materials Recovery Facility (MRF) be found to be financially viable through the completion of an independently prepared S48 Prudential Management report.**
- 4. In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Finance and Audit Committee orders that this report, S48 Prudential Management Review – Waste Services, any appendices and the minutes arising from this report having been considered in confidence under Section 90(2) and (3)(b) and (d) of the Act, except when required to effect or comply with the Finance and Audit Committee's resolution(s) regarding this matter, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2019.**

Carried Unanimously

11.25 am the meeting came out of confidence