

4.2 CLAYTON SOUTH REGIONAL LANDFILL USER GROUP BUDGET 2019/2020
(SH, ENV17.)

Responsible Director: Ossie Martinz

EXECUTIVE SUMMARY***PURPOSE***

This report provides the Clayton South Regional Landfill Managing Committee, comprising of a member from each of the owner councils, the recommended Budget for the 2019/20 year for the Management of the sites' rehabilitation and monitoring program.

KEY CONSIDERATIONS/ISSUES

The Clayton South Regional Landfill ceased taking Municipal Waste in late 2015. The site is now being rehabilitated in accordance with the EPA Best Practice Guide Lines and the requirements of the Planning Permit.

FINANCIAL IMPLICATIONS

The Management of the site, rehabilitation and monitoring costs within this budget will be sort from reserves obtained from the charges from the waste deposited at the site over the years of operation.

There is no direct financial implications for the 2019/20 year.

By the end of the 2020-21 year it is projected that the remaining cash reserves of the landfill will be largely depleted. The projected balance of closing cash as at 30 June 2021 is \$272,000.

CONCLUSION/RECOMMENDATION

That the Budget as prepared by the Clayton South Regional Landfill User Group Management Committee, be endorsed and the future projected cash flow noted.

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RECOMMENDATION

That Council, as a member of the Clayton South Regional User Group, endorses the Clayton South Regional Landfill User Group's Management Committee's recommended Management, Rehabilitation and Monitoring Works Budget for 2019/20 year and notes the future projected cash flow.

INTRODUCTION

The purpose of this report is for council to endorse the Clayton South Regional Landfill User Groups' recommended Management and Operational Budget for the 2019/20.

BACKGROUND

The Clayton South Regional Landfill is jointly owned by five municipal Councils who are bound by a legal agreement with a charter having been approved by each member council. Each member of the Supervising Committee is formally appointed by the Council represented with powers related to the approval of expenditure and to execute contracts on behalf of council.

The Member councils Equities:

Boroondara	35.22%.
Glen Eira	21.1%.
Monash	16.8%.
Stonnington	12.76%
Whitehorse	14.12%

Site Details

The site stopped taking waste from its member councils in late 2015 and rehabilitation works continued on site to satisfy the conditions of the Environmental Protection Authority (EPA) licence and the conditions in the Planning approval with conditions to complete the rehabilitation by the end of 2020. The site also requires on going monitoring of the gas generated on site to satisfy the EPA.

Management of the site is undertaken by the Clayton South Regional Landfill User Group. The Group appointed an Operational Site Manager to manage the existing contracts and the monitoring and reporting requirements.

DISCUSSION

The post closure works are required to satisfy pollution abatement notices for the remediation of the site as determined by the EPA.

While previous budget indications have been that the budget surplus would be sufficient to fund remediation works for at least another 5 years, recent increased monitoring and remediation works requirements from EPA have increased current and future costs. The original amount of airspace (area for waste) had also been reduced due to EPA and Planning requirements which reduced the overall income potential for the site.

SOCIAL IMPLICATIONS

The closure of the landfill has had a positive response from the community who had ongoing concerns about odour and community health.

All surrounding landfills set up regular forums for the community to attend explaining the works that were being done to reduce the impacts of the landfills in the area

FINANCIAL IMPLICATIONS

The proposed 2019/20 budget is as shown on "Attachment A". The Budget shows that the management Committees forecast is:

Cash Income-	\$347,000
Which includes –	
Royalty Dividend Sergasco	\$12,000
Water Treatment Sewer Inc	\$250,000
Interest	\$85,000
Expenditure-	\$1,721,000
Which includes-	
Audits & JV Secretariat	\$48,000
Audit & Accounting Fees	\$26,000
Bank Fees & Charges	\$1,000
External Consultancy	\$0
Environmental Monitoring	\$300,000
Legal Fees – General	\$100,000
Management Fee	\$240,000
Gas Collection	\$444,000
Site Maintenance	\$40,000
Leachate Plant	\$222,000
Water Treatment (Sewer)	\$300,000
Miscellaneous Expenses	\$0

Capital Expenditure-	
Which Includes-	
Cell Cap Finalisation	\$1,970,000
Total Expenditure and Capital Works	\$3,691,000
Net Deficit for the 2019-2020 year is-	-\$3,344,000

The Budget shows a deficit of -\$3,344,000. This is mainly due to the Capital works program expenditure, water, gas and environmental management and no further income from the Member councils' waste.

This deficit will be sought from the reserves which are set up for the Post Closure Works which is approximately \$4,600,000.

By the end of the 2020-21 year it is projected that the remaining cash reserves of the landfill will be largely depleted. The projected balance of closing cash as at 30 June 2021 is \$272,000. Monash would be required to contribute approximately \$105,000 in 21/22 and about \$151,000 annually thereafter.

This will be factored into the long term financial plan.

Opportunities for income generation for the site has been explored with the potential for land sales and potential use of the site for a business or solar generation. None of these are currently viable but will be continued to be explored.

CONCLUSION

That the proposed 2019/20 budget as recommended by the Clayton South User Group Committee be endorsed and the future projected cash flow noted.