

Bunbury - Harvey Regional Council

Council Agenda



For the Ordinary Council Meeting of

17th December 2015

**BUNBURY-HARVEY REGIONAL COUNCIL
AGENDA FOR THE ORDINARY MEETING OF COUNCIL TO BE HELD ON 17TH DECEMBER 2015**

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BUNBURY-HARVEY REGIONAL COUNCIL

MEETING NOTICE AND AGENDA – 17TH DECEMBER 2015

TO: THE CHAIRMAN AND COUNCILLORS

NOTICE is hereby given that an Ordinary meeting of the Bunbury-Harvey Regional Council will be held at **Shire of Harvey Admin Building, Mulgara Street, Australind, commencing at 3:00pm.**

Your attendance is respectfully requested.

TONY BATTERSBY
CHIEF EXECUTIVE OFFICER

AGENDA

1. Attendance, Apologies & Leave of Absence

Name	Attended	Apologies	Leave of Absence
Cr. Judy Jones (City of Bunbury)			
Cr. Jaysen Miguel (City of Bunbury)			✓
Cr. Murray Cook (City of Bunbury)			
Cr. Peter Monagle (Shire of Harvey)			
Cr. Bill Adams (Shire of Harvey)			✓
Tony Battersby – CEO			
Michael Parker – CEO Shire of Harvey			
Chris Welham – Accountant		✓	
Martinette Pieterse – Secretary to CEO			

2. **Public Question Time**

3. **Summary of Response to previous Questions taken on notice**

4. **Applications for leave of absence**

5. **Confirmation of Minutes**

Minutes of the Ordinary meeting of Council held 26th November 2015.

6. **Petitions and Memorials**

7. **Declarations of Interests**

8. **Announcements (by the presiding member without discussion)**

9. **Reports of Committees**

10. **Business of Previous Meeting**

11. **Reports of Officers**

11.1 Financial Statements for the period ended 30 November 2015

Reporting Officer: Chris Welham, Accountant

File Number:

Attachments: Appendices 1 to 8

Summary

The following comments are provided on the key elements of Council's financial performance.

1. Statement of Comprehensive Income (**attached** at Appendix 1)

a. Year-to-date Financial Performance to 30 November 2015

	ACTUAL	BUDGET	VARIANCE	
Year-to-date income	1,472,064	1,726,758	(254,694)	<i>unfavourable</i>
Year-to-date expenditure	1,261,235	1,825,162	563,927	<i>favourable</i>
Year-to-date operating surplus	210,829	(98,404)	309,233	<i>favourable</i>

2. Capital Works (**attached** at Appendix 4)

Year-to-date capital expenditure	154,568	155,144	576	<i>favourable</i>
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3. Balance Sheet (**attached** at Appendix 5)

Current Assets of \$7,329,790 include:

	Actual
Cash and Cash Equivalents	6,967,114
Trade and Other Receivables	360,875
Inventories	1,801

Current Liabilities of \$186,376 includes:

Trade and Other Payables	82,232
Provisions	103,144
Working Capital (Current Assets <i>less</i> Current Liabilities) is	7,143,414
Equity (Total Assets <i>less</i> Total Liabilities) is	9,931,179

Reserves of \$5,774,622 include:

Plant and Infrastructure Reserve	587,796
Site Post Closure Rehabilitation Reserve	3,061,479
Waste Minimisation Reserve	614,428
Stanley Road Lined Cell Construction Reserve	519,923
Site Acquisition and Investigation Reserve	990,996

4. Investments

Total of \$6,863,944 includes:

ANZ Banking Group	3,151,965
Commonwealth Bank	545,533

National Australia Bank

3,166,446

Background

A financial management report is provided to Councillors on a monthly basis which includes the following summaries:

- Statement of Comprehensive Income (**attached** at Appendix 1)
- Banksia Road Operations (**attached** at Appendix 2)
- Statement of Financial Activity (**attached** at Appendix 3)
- Capital Works Expenditure Summary (**attached** at Appendix 4)
- Balance Sheet Summary (**attached** at Appendix 5)
- Statement of Net Current Assets (**attached** at Appendix 6)
- Fees and Charges Summary (**attached** at Appendix 7)
- Debtors Report (**attached** at Appendix 8)

Legislative Compliance

In accordance with the provisions of Section 6.4 of the Local Government Act 1995 and Regulation 34(1) of the Local Government (Financial Management) Regulations 1996, a Local Government is to prepare each month a Statement of Financial Activity (Attached at Appendix 3) reporting on the revenue and expenditure as set out in the annual budget under Regulations 22 (1) (d) for this month.

At the Council Meeting on 16 July 2015, Council adopted that a variance between actual and budget-to-date of greater than or equal to 10% and \$15,000 is considered to be a material variance for reporting purposes in the Statement of Financial Activity for 2015/16.

The following is an explanation of significant variances identified in the Statement of Comprehensive Income and the Statement of Financial Activity. These variances will be addressed in the February 2016 Budget Review and are reflected in the Forecast figures.

Statement of Comprehensive Income	YTD Actual to YTD Budget Variance
Operating Income	
Fees and Charges	
Casual Tipping Fees Casual tipping revenue is less than budget mainly due to diversion of waste from the Perth area by Perthwaste into their own landfill in Bannister.	\$ (303,912) (40)%
Sale of Scrap Metal Ferrous Scrap metal is being stockpiled rather than sold because the demand from dealers has reduced and the price per tonne is down to \$30 or less. There is still a market for non-ferrous (aluminium, copper etc.) metals.	\$(34,912) (93)%
Disposal – Shire of Harvey Shire of Harvey tipping tonnages are above budget because waste has been diverted from the Richardson Road landfill.	\$42,606 26%
Other Revenue	
Landfill Levy Income Income from the levy (which is levied at \$55 per tonne) is favourable compared to budget. This will be addressed in the Budget Review.	\$ 23,931 115%
Operating Expenditure	
Materials and Contracts	

Site Rehabilitation Site rehabilitation expenditure has been deferred until DER approval of the Stanley Road cell capping plan has been received. The forecast expenditure to the end of the current year has been reduced by \$1,000,000 and this amount has been transferred to the forecasted balance of the Site Post Closure Rehabilitation Reserve.	\$541,075 98%
Depreciation	
Depreciation on Vehicles, Plant and Equipment This is favourable because the purchase of new equipment has occurred later than expected in the original budget timeline.	\$28,493 16%
Other Expenditure	
Landfill Levy Expenditure. Note that this variance is offset by the additional income received year to date.	\$ (21,600) (110)%

Statement of Financial Activity	YTD Actual to YTD Budget Variance
Revenues by Nature and Type	
Fees and Charges Please refer above to the comments on Fees and Charges for the Statement of Comprehensive Income.	(315,226) (20)%
Other Revenue Please refer above to the comments on Landfill Levy Income for the Statement of Comprehensive Income.	\$ 37,048 74%
Expenses by Nature and Type	
Materials and Contracts Please refer above to the comments on Site Rehabilitation Expenditure for the Statement of Comprehensive Income.	\$552,698 59%
Depreciation Please refer above to the comments on Depreciation on Vehicles, Plant and Equipment for the Statement of Comprehensive Income.	\$32,482 16%
Other Expenditure Please refer above to the comments on Landfill Levy Expenditure for the Statement of Comprehensive Income.	\$ (30,848) (28)%

Executive Recommendation

The Financial Statements for the period ending 30 November 2015 be received.

11.2 Payments of Accounts for November 2015

Reporting Officer: Chris Welham, Accountant
File Number: -
Attachments: Summary of Accounts Paid for November 2015

Précis

Section 13 (2) of Government (Financial Management) Regulations 1996 require that where Local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing detail for each account paid since such list was prepared. This item is presented to Council to advice of payments made for November 2015.

Background

As noted above.

Officer Comment

The attachment details all payments made for November 2015.

Consultation

Nil

Financial Implications

As per the declaration within the schedule summary, the accounts have been checked and are fully supported by vouchers and invoices and which have been duly certified as to the receipt of goods and the rendition of services and as to prices, computations and costings. Sufficient allocations are contained within the 2015/2016 budget to cover payment of the accounts.

Statutory Environment

Sections 12 and 13 of the Local Government (Financial Management) Regulations 1996 apply.

Strategic Implications

Nil

Policy Implications

Nil

Voting Requirement

Simple Majority

Officer Recommendation

That the attached summary of schedule of accounts paid for November 2015 be received.

11.3 Draft Reviewed Purchasing Policy

Reporting Officer:

Tony Battersby, Chief Executive Officer

File Number:

-

Attachments:

*Draft Reviewed Purchasing Policy
Previous Adopted Purchasing Policy*

Précis

Section 11A (1) of the Local Government (Functions and General) Regulations 1996 requires a local government to prepare or adopt and implement a purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is , or is expected to be, \$150,000 or less or worth \$150,000 or less. This item is presented to Council to consider adoption of such a policy

Background

In August 16th 2007 Council adopted the original Purchasing Policy; on the 1st October 2015 tender provisions of the Local Government (Functions and General) Regulations 1996 were amended to raise the tendering threshold from \$100,000 to \$150,000. This was on the basis that local government would implement a policy to control procurement where the contract value is \$150,000 or less.

Officer Comment

Attachment contains an amended purchasing policy that complies with the provision of the Local Government (Functions and General) Regulations 1996 and provides flexibility, transparency and accountability in regard to procurement undertaken by the BHRC.

Consultation

Nil

Financial Implications

The Policy should provide greater surety and less risk associated with procurement thereby minimising the Council's exposure to unforeseen expenditure associated with procurement.

Statutory Environment

Part 4 of the Local Government (Functions and General) Regulations 1996 apply to procurement.

Strategic Implications

Nil

Policy Implication

Discussed in the body of the Report.

Voting Requirement

Simple Majority

Officer Recommendation

That Council adopt the amended Purchasing Policy as detailed in attachment.

11.4 Stanley Road Closure and Post Closure Management Plan

Reporting Officer: *Tony Battersby, Chief Executive Officer*

File Number -

Attachments: *Attachment - "A"*

Précis

Seek approval from Council to adopt the attached Closure and Post-Closure Management Plan for the Stanley Road Waste Management Facility.

Background

Letter received from DER on the 21st September 2015 requires the BHRC to submit an updated Landfill Closure Management Plan by 1st February 2016, as stated:

- DER requires sufficient additional information in an updated Landfill Closure Management Plan including, but not limited to the information stipulated in full letter. This should be presented in the context of, and in reference to current and proposed hydrogeological and water balance investigation.

Talis Consultancy has been preparing the Closure and Post-Closure Management Plan in consultation with the DER and BHRC.

Officer Comment

The Closure and Post Closure Management Plan prepared by Talis is a comprehensive plan covering all aspects of the Stanley Road landfill rehabilitation. The Closure and Post-Closure Management Plan is accompanied by an Excavation Works Management Plan and a Risk Assessment – Closure and Post Closure Management Plan.

The key objectives of the Closure and Post Closure Management Plan are to provide:

1. A final capping system profile in accordance with the Best Practice Landfill Guidelines;
2. A filling plan to provide direction for the remaining filling operations having regard to the final closure profile;
3. Remaining void space calculations;
4. Environmental engineering and management measures for landfill gas and surface water in accordance with best practice landfill guidelines;
5. A comprehensive phased closure plan which will form the basis of a future detailed design for the whole site and subsequent construction drawings and contract documentation required for the phases of the project;
6. Post-closure monitoring plan for the rehabilitated landfill;
7. Cost estimates for rehabilitation and post-closure management plan; and
8. Implementation plan to guide the BHRC towards achieving the outcomes in this Closure and Post Closure Management Plan.

The Closure and Post Closure Management Plan also includes conceptual design drawings for the proposed landfill capping profile.

Consultation

Officers from DER and BHRC have met and corresponded on numerous occasions to discuss the progression of finalising the Closure and Post Closure Management Plan.

Financial Implications

Funding for Stanley Road landfill rehabilitation has been allowed for in Site (Post Closure) Rehabilitation Reserve, but further funding will need to be allocated in future budgets to accommodate the full cost of the estimated closure costs.

Statutory Environment

The DER requires that Council prepare an updated Closure and Post-Closure Management Plan Landfill Management Plan submitted by 1st February 2016.

Economic, Social and Environmental Issues

The adoption of the Closure and Post Closure Management Plan has the potential to have a positive impact on the local natural environmental by rehabilitating the landfill to the best practice landfill guidelines.

Strategic Implications

The Closure and Post Closure Management Plan is in accordant with, Future Directions, of Council's interim strategic plan.

Policy Implications

Nil

Voting Requirement

Simple Majority

Officer Recommendation

Council to adopt the Closure and Post Closure Management Plan as submitted by Talis Consultancy and submit to the DER for approval.

12. General Business

12.1 Operational Update for December 2015

Reporting Officer: Tony Battersby, Chief Executive Officer

File Number: -

- **Stanley Road Expansion**

DER has requested that a Closure Plan be completed to:

- review the information submitted by BHRC in relation to progressive closure and post-closure rehabilitation; and
- provide a written response outlining any areas where DER may require additional information or clarification.

Closure and Post Closure Management Plan – as per agenda.

- **Compost Site Relocation**

Site currently investigating:

Elders Real Estate (Noel Jones) – Old Timber Mill site South West Highway Gwindinup.

Cristal Mining (Warren Smith) – Gwindinup mine site.

Iluka Resources (Russell Harvey) – Capel mine sites.

Professional Real Estate – (Tom Panizza) – 315 Weld Road Capel

Waiting on new DER Compost Regulation and Separation Distance Plan to be released.

- **DER Draft – Environmental Standards for Composting**

DER has released consultation papers on Environmental Standards for Composting and Separation Distances between Industrial and Sensitive Land Uses.

A submission was submitted on behalf of the BHRC - **waiting on final standards and separation distance to be released.**

- **Waste Authority**

The Waste Authority is intending to conduct its next scheduled meeting with-in the Greater Bunbury area and has asked to have a tour of the Stanley Road Waste Facility and the Banksia Road Compost Facility.

Waste Authority tour of Stanley Road and Banksia Road completed with positive and complementary comments from all on tour.

- **Tender for Mobile Aerated Floor Expansion**

Mobile Aerators ordered – delivery time anticipated six (6) weeks.

Delivery due 16th December 2015.

- **Tender for Concrete Bunkers – Compost Facility**

Concrete Bunkers ordered – delivery time anticipated four (4) weeks.

Delivery starting the week of the 14th December 2015.

- **Tender for Hook Bin Truck**

Tenders have been requested through the WALGA preferred supplies panel for the purchase on one Hook Bin Truck, tenders close 5 November 2015.

Purchase order completed for Hino Hook Bin Truck, delivery late Jan to early Feb 2016.

- **Waste to Energy**

Had a meeting with representatives from Parker Range Resources who are an international waste to Energy Company wanting to look at the feasibility of putting a waste to energy facility at Stanley Road.

Company's plasma technology and proposal - attached.

- **BHRC Strategic Community Plan**

Attached Draft Plan – to be discussed and reviewed by Council.

Open for feedback from Council.

- **Staff Matters**

Council and Staff Christmas Party was held on the 12th December 2015 at the Bunbury Trotting Club, feedback has all been positive with hopefully everyone enjoying themselves.

Margaret Macindoe on annual leave from 14th December 2015 to 18th January 2016.

Martinette Pieterse on long service leave from 21st December 2015 to 26th January 2016.

Mark Hay on annual leave from 28th December to 10th January 2016.

Russel Adams on annual leave from 4th January 2016 to 25th January 2016.

13. **Confidential Reports**

14. **Notices of Motion**

- 15. **Next Meeting**
To be held on Thursday 25th February 2016 at the *Shire of Harvey Administration Building, Mulgara Street, Australind, commencing at 4:00pm.*

- 16. **Closure**

Comments / Notes
