

Bunbury - Harvey Regional Council

Minutes (Confirmed)



For the Ordinary Council Meeting of

24th September 2015

BUNBURY-HARVEY REGIONAL COUNCIL

**MINUTES (CONFIRMED) FOR THE ORDINARY MEETING OF COUNCIL TO BE HELD ON
24TH SEPTEMBER 2015**

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These Minutes are confirmed as being true & correct by Council **Resolution Nr: OC81023-1351**

Cr Judy Jones
Chairman

Tony Battersby
Chief Executive Officer

• Meeting was declared open 4:00pm

1. Attendance, Apologies & Leave of Absence

Andrew Brien (CEO – City of Bunbury) – Attended
Phil Harris (Director Works & Services – City of Bunbury) – Attended
Martinette Pieterse – Apology

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

2. Public Question Time

Nil

3. Summary of Response to previous Questions taken on notice

Nil

4. Applications for leave of absence

Nil

5. **Confirmation of Minutes**

Minutes of the Ordinary meeting of Council held 27th August 2015.

OC81023-1344	Moved:	Cr Greg Campbell	
	Second:	Cr Judy Jones	
			5/0
			Unanimous
			CARRIED

6. **Petitions and Memorials**

Nil

7. **Declarations of Interests**

Tony Battersby declared his interest.

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

Nil

9. **Reports of Committees**

Nil

10. **Business of Previous Meeting**

Council sought breakdown of Professional and Accounting Fees at the last Ordinary meeting held on 27 August 2015. Please refer to attachment for breakdown of these fees.

11. **Reports of Officers**

11.1 **Financial Statements for the period ended 31 August 2015**

Reporting Officer: Chris Welham, Accountant

File Number:

Attachments: Appendices 1 to 7

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 31 August 2015

	ACTUAL	BUDGET	VARIANCE	
Year-to-date income	587,505	663,484	(75,979)	<i>unfavourable</i>
Year-to-date expenditure	494,834	506,818	11,984	<i>favourable</i>
Year-to-date operating surplus	92,670	156,666	(63,996)	<i>unfavourable</i>

2. Capital Works (**attached** at Appendix 3)

Year-to-date capital expenditure	24,500	30,000	5,500	<i>favourable</i>
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3. Balance Sheet (**attached** at Appendix 4)

Current Assets of \$7,204,778 includes:	Actual
Cash and Cash Equivalents	6,875,020
Trade and Other Receivables	320,364
Prepayments	7,593
Inventories	1,801
Current Liabilities of \$212,549 includes;	
Trade and Other Payables	93,641
Provisions	118,908
Working Capital (Current Assets <i>less</i> Current Liabilities) is	6,992,230
Equity (Total Assets <i>less</i> Total Liabilities) is	9,741,020
Reserves of \$5,584,220 include:	
Plant and Infrastructure Reserve	436,822
Site Post Closure Rehabilitation Reserve	3,039,642
Waste Minimisation Reserve	611,650
Stanley Road Lined Cell Construction Reserve	512,146
Site Acquisition and Investigation Reserve	983,960

4. Investments

Total of \$6,787,276 includes:	
ANZ Banking Group	2,942,849
Commonwealth Bank	517,936
National Australia Bank	3,326,491

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.

Statement of Comprehensive Income	YTD Actual to YTD Budget Variance
Operating Income	
Fees and Charges	
Casual Tipping Fees. 314 tonne was received from Perth in August, but the bulk of this was glass which is charged at \$5.50 (including GST) per tonne compared to the co-mingled waste at \$57.00 per tonne (including GST).	\$ (98,751) (32)%
Disposal – Shire of Harvey. Shire of Harvey tipping tonnages are above budget because waste has been diverted from the Richardson Road landfill.	\$15,893 24%
Other Revenue	
Landfill Levy Income	
A higher than expected level of waste was received from the Perth Metro area from cash sales customers during August. As per the Casual Tipping Fees note above, the levy income variance is favourable (charged at \$28 per tonne) but the base price for glass is only \$5.50.	\$ 22,044 265%
Operating Expenditure	
Employee Costs	
There are cost savings for August which is mainly due to the vacant waste education officer position.	\$22,104 10%
Other Expenditure	
Other expenditure is higher than budget which is mainly due to a higher level of waste received from the Perth metro area during August, plus higher co-mingled waste tipping volumes which have increased the Shire of Harvey's tonnage rebate.	(15,487) (34)%
Statement of Financial Activity	YTD Actual to YTD Budget Variance
Revenues by Nature and Type	
Fees and Charges are below budget for the following reasons:	(101,038)
Casual Tipping Fees 314 tonne was received from Perth in August, but the bulk of this was glass which is charged at \$5.50 (including GST) per tonne compared to the co-mingled waste at \$57.00 per tonne (including GST).	(17)%
Operating Expenditure	
Employee Costs	
There are cost savings for August which is mainly due to the vacant waste education officer position.	\$22,104 11%
Other Expenditure	
Other expenditure is higher than budget which is mainly due to a higher level of waste received from the Perth metro area during August, plus higher co-mingled waste tipping volumes which have increased the Shire of Harvey's tonnage rebate.	(15,487) (34)%

Executive Recommendation

The Financial Statements for the period ending 31 August 2015 be received.

OC81023-1345

Moved:

Cr Judy Jones

Second:

Cr Murray Cook

5/0

Unanimous

CARRIED

11.2 Payments of Accounts for August 2015

Reporting Officer:

Chris Welham, Accountant

File Number:

-

Attachments:

Summary of Accounts Paid for August 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 August 2015.

Background

As noted above.

Officer Comment

The attachment details all payments made for August 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 August 2015 be received.

OC81023-1346

Moved:

Cr Murray Cook

Second:

Cr Greg Campbell

5/0

Unanimous

CARRIED

11.3 Purchase of Capital Equipment - Mobile Aerated Floor Units

Reporting Officer:

Tony Battersby, Chief Executive Officer

File Number:

-

Attachments:

Evaluation Report & Referee Form

Précis

This item is presented to Council for Council to consider the approval of funds for purchasing Capital Equipment. The plant will be utilised in the Banksia Road compost facility operations. The CEO is seeking Councils approval to purchase the following equipment:

1. Mobile Aerated Floor Units

Background

The purchase of Mobile Aerated Floor Units is included in 2015/2016 Budget which was adopted by Council at the Special Council Meeting held on the 16th July 2015. The Mobile Aerated Floor Units will be utilised in the day to day operations at the Banksia Road compost facility.

Officer Comment

Funding for the Capital Equipment Purchase is included in the 2015/2016 Annual Budget. Tenders for the supply of Mobile Aerated Floor Units were requested via Tenderlink (RFT1516-00003) and advertised in the West Australian on the 12th August 2015, and in the South Western Times, on the 13th August 2015.

Tenders closed at 5.00 pm on Thursday 27th August 2015 and were opened by the City of Bunbury Senior Contracts and Procurement Officer, David Russell.

Officers conducted an intense review on all tenders submitted and are confident with their evaluations and recommendations.

Tender Submissions

The following tenders were received:

- (a) WA Composts
- (b) Spartel

Consultation

Consultation with all relevant organisations and parties has been conducted through Evaluation Report, including the Bunbury Harvey Regional Council Staff.

Financial Implications

A budget allocation for the purchase of Mobile Aerated Floor Units has been included in the 2015/2016 annual budget. Budget allocation for Capital Equipment Purchase GL # 49007.215.15: Compost Aerator Units \$180,000.00.

The recommended Compost Aerator Units is \$180,100.00

Strategic Implications

Acceptance of the Officers Recommendation is consistent with Council’s Strategic Waste Management Plan 2009-2015 and will “facilitate the provision of waste diversion service to the Bunbury Harvey Regional Council customers.

Policy Implications

NIL

Voting Requirement

Absolute Majority

Officer Recommendation

That Council accepts the tender submission from Spartel Pty Ltd be endorsed by Council for Part A of the tender. This is due to the following reasons;

- ✓ Providing the most competitive price.
- ✓ Received the highest qualitative score (50% weighting).
- ✓ A referee check was conducted confirming their capacity to meet the tender requirements (attached)

Prior to entering into a contract with Spartel, they will be required to provide their certificate of currency for their insurances.

Due to the budget allocation and the need to purchase spare parts and automation of the system the following is recommended for award.

Item	Price Excluding GST
Part A as tendered -three master Units and six slave units	\$103,200
Additional slave unit (1)	\$10,000
<i>Spare Parts</i>	
Process unit for temp feedback (3 x \$4,500)	\$13,500
Variable speed drive controller (3 x \$2,500)	\$7,500
Wireless temperature probes (9 x \$4,600)	\$41,400
Wireless receivers (3 x \$1,500)	\$4,500
TOTAL EXCLUDING GST	\$180,100

OC81023-1347

Moved:

Cr Murray Cook

Second:

Cr Greg Campbell

**5/0
Unanimous
CARRIED**

11.4 Purchase of Capital Equipment – Concrete “L” Panels

Reporting Officer: Tony Battersby, Chief Executive Officer
File Number: -
Attachments: Evaluation Report & Referee Form

Précis

This item is presented to Council for Council to consider the approval of funds for purchasing Capital Equipment. The infrastructure will be utilised in the Banksia Road compost facility operations. The CEO is seeking Councils approval to purchase the following equipment:

1. Seventy five to ninety five (75-95) – Concrete “L” Panels

Background

The purchase of seventy five to ninety five (75-95) New Concrete “L” Panels is included in 2015/2016 Budget which was adopted by Council at the Special Council Meeting held 16th July 2015. The Concrete “L” Panels will be utilised in the day to day operations at the Banksia Road compost facility.

Officer Comment

Funding for the Capital Equipment Purchase is included in the 2015/2016 Annual Budget. Tenders for the supply of seventy five to ninety five (75-95) – Concrete “L” Panels were requested via Tenderlink and advertised in the West Australian on the 26th August 2015, and in the South Western Times, on the 27th August 2015.

Tenders closed at 5.00 pm on Thursday 10th September 2015 and were opened by the City of Bunbury Senior Contracts and Procurement Officer, David Russell.

Officers conducted an intense review on all tenders submitted and are confident with their evaluations and recommendations.

Tender Submissions

The following tenders were received:

- (a) Albany Precast
- (b) Bluenergy Engineering
- (c) Civilcon Construction
- (d) Dalwallinu Concrete/Dallcon
- (e) Grove Construction
- (f) Icon Septech
- (g) Innovest Construction
- (h) MJB Industries
- (i) Polevine
- (j) Turner Builders
- (k) West Force Construction

Consultation

Consultation with all relevant organisations and parties has been conducted though Evaluation Report, including the Bunbury-Harvey Regional Council Staff.

Financial Implications

A budget allocation for the purchase of seventy five to ninety five (75-95) – Concrete “L” Panels has been included in the 2015/2016 annual budget.

Budget allocation for Capital Equipment Purchase GL # 49009.215.15: Concrete Bunkers for Finished Compost \$155,000.00.

The recommended Concrete Bunker for Finished Compost is \$155,000.00

Strategic Implications

Acceptance of the Officers Recommendation is consistent with Council’s Strategic Waste Management Plan 2009-2015 and will “facilitate the provision of waste diversion service to the Bunbury Harvey Regional Council customers.

Policy Implications

NIL

Voting Requirement

Absolute Majority

Officer Recommendation

That Council accepts the tender submission from Dalwallinu Concrete (Dallcon) be endorsed by Council for Part E of the tender for an amount of \$134,282.50 excluding GST. This is due to the following reasons;

- ✓ Providing the most competitive price.
- ✓ Received the equal highest qualitative score (20% weighting).
- ✓ A referee check was conducted confirming their capacity to meet the tender requirements (attached)

Due to the budget of \$155,000 excluding GST through grant funding, it is additionally recommended that Council authorise the CEO to negotiate with Dalwallinu Contract to produce additional panels over and above the ninety five (95) panels within Part E to ensure that all grant monies are spent. This would mean that the spend amount would be the \$155,000 excluding GST.

The Local Government (Functions and General) Regulations 1996 Part 4, Division 2 r.20(1) allows variation of requirements before entry into a contract with a chosen tenderer which means that compliance is still achieved.

OC81023-1348

Moved:

Cr Greg Campbell

Second:

Cr Judy Jones

5/0

Unanimous

CARRIED

12. General Business

12.1 Operational Update for September 2015

Reporting Officer: Tony Battersby, Chief Executive Officer

File Number: -

• **Stanley Road Expansion**

Talis Consultants will be conducting some feasibility costing into the following:

1. Constructing lined cells at Stanley Road for medium to long term solutions of waste disposal for the City of Bunbury and the Shire of Harvey, will require DER approval.
2. Application of amendment to current licence put through to the DER on expansion of existing footprint along the southern side of cell 1- 2 and the valley between cell 1 – 2 and cell 3 to be filled with waste to allow for capping. These two amendments would allow for a further three years air space to be landfilled which equates to four years with the existing air space on cell 3.

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.

Following the submission of any additional information by BHRC, DER will be in a position to determine BHRC's licence amendment.

Your advice in relation the urgency of this project is noted. DER will endeavour to respond in a timely manner as discussed.

• **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 (Will meet with Shire of Capel Officer's to discuss zoning and suitability).

• **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.

• **Compost Sales/Mulch Sales**

Sales of mulch have recommenced at the Stanley Road Waste Transfer Station, the mulch has been manufactured at the Banksia Road site and it has been tested to Australian Standards and passed.

Jai Pearce, Russell Adams and Tony Battersby attended a "Talking Soils" conference in Kojonup on Thursday 10th and Friday 11th September 2015. Conference was based

around improving the soils with carbon and compost and not utilising synthetic fertilizers.

- **Tender for Mobile Aerated Floor Expansion**

Tender closes 26th August 2015, agenda item to purchase Mobile Aerated Floor units will be tabled at the Ordinary Meeting of Council on 24th September 2015.

As per Agenda

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

Tender closes 9th September 2015, agenda item to purchase Concrete Bunkers will be tabled at the Ordinary Meeting of Council on 24th September 2015.

As per Agenda

- **Wellington Group Regional Waste Education Program**

Position for part time Waste Education Officer has been advertised and will close on the 28th August 2015.

Seven applications were received with three shortlisted for interviews.

Interviews were conducted on the 16th September 2015 with all three being very qualified for the position and presenting themselves well at the interview.

Emma Thomas was chosen by the interview panel as the successful applicant, Emma currently works for the Shire of Donnybrook/Balingup as an Environmental Health Officer, Emma will commence with the BHRC on the 2nd November 2015.

- **Staff Matters**

Corey Stidworthy – Annual leave for two weeks starting 15th October 2015.

Margaret Macindoe, Jack Stidworthy and Mark Hat attended the Waste and Recycling Conference in Fremantle 8th to 11th September 2015.

13. **Confidential Reports**

Refer to Officer Recommendation as separate attachment for details on CEO Position and Offer.

OC81023-1349

Moved:

Cr Greg Campbell

Second:

Cr Judy Jones

5/0

**Unanimous
CARRIED**

14. Notices of Motion

Department of Environment and Regulation (DER) – Liner Approval Stanley Road
Applicant / Proponent: Cr Murray Cook

Summary

This resolution seeks to have Council apply for a licence to carry out land fill for the next twenty (20) years, using an artificial Liner, at Stanley Road.

Background

Bunbury-Harvey Regional Council (BHRC) has a very short period left on their current land fill licence and although there is a pending extension period being sought, that will still mean the end of operations in about three (3) years' time.

The failure of the Bunbury Wellington Group of Councils to secure the purchase and subsequent development of the Banksia Road site means the Region is left in limbo with nowhere to go. If BHRC can gain approval for another – twenty (20) years, that will provide the Region with certainty and offer them an alternative to a brand new site (which will take years to develop).

With the way technology is improving every day and the move away from landfill, it is likely that a twenty (20) year licence will be plenty and provide the breathing space required until new technologies gobble up waste without any detrimental effects on the environment.

Executive Recommendation

That Council immediately apply to the Department of Environment and Regulation for a twenty (20) year licence to continue land fill operations at the Stanley Road Waste Management Facility using an approved artificial liner.

15. Next Meeting

Ordinary Meeting scheduled for Thursday 29th October 2015 postponed until after council elections and will now be held on Thursday 5th November 2015 at the ***Shire of Harvey Admin Building, Mulgara Street, Australind, commencing at 4:00pm.***

16. Closure

Before meeting closure, Cr Neville McNeill thanked everyone for his time as Chairman and that he enjoyed his time as Chair.

Meeting declared closed at 4:55pm

