



Ordinary Council Meeting

Minutes

22 September 2016

Bunbury-Harvey Regional Council

Old Railway Station Complex

Carmody Place

Bunbury WA 6230

Western Australia

Correspondence to:

Post Office Box 21

Bunbury WA 6231

Ordinary Council Meeting Declaration of Opening

The Chairman declared the meeting open at **4:02pm**.

These Minutes are confirmed as being true and correct by Council – **RESOLUTION: OC81023-1430**

Cr Judy Jones
Chairman

Mr Tony Battersby
Chief Executive Officer

Minutes 22 September 2016

Council Members:

Member Name	Representing
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

Ex-officio Members (non-voting):

Member Name	Representing
Mr Tony Battersby	Chief Executive Officer (BHRC)
Mr Michael Parker	Chief Executive Officer (Shire Of Harvey)
Mr Andrew Brien	Chief Executive Officer (City of Bunbury)

Support Staff:

Name	Title
Ms Martinette Pieterse (minute taker)	Secretary
Chris Welham	Accountant

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ATTACHMENTS:

Attachment 1 - DRAFT - Contractor Management Policy

Attachment 2 - Household Hazardous Waste - Operational Management Procedure

Attachment 3 - Minutes Safety Committee Meeting (24 August 2016)

1. Attendances

Council Members:

Member Name	Representing
Cr Judy Jones	City of Bunbury
Cr James Hayward	City of Bunbury
Cr Murray Cook	City of Bunbury
Cr John Sabourne	Shire of Harvey
Cr Bill Adams	Shire of Harvey

Ex-officio Members (non-voting):

Member Name	Representing
Mr Tony Battersby	Chief Executive Officer (BHRC)
Mr Scott Dandridge	Principal Environmental Health Officer (SOH)
Mr Andrew Brien	Chief Executive Officer (City of Bunbury)
Mr Gavin Harris	Director Works and Services (City of Bunbury)

Support Staff:

Name	Title
Martinette Pieterse (minute taker)	Secretary
Chris Welham	Accountant

1.1 **Apologies**

Michael Parker – Scott Dandridge attended meeting in his absence.

Cr Jaysen Miguel – Cr James Hayward attended meeting in his absence.

Cr Peter Monagle (was an apology until 4:06pm) – Cr John Sabourne attended meeting in his absence as proxy.

Chris Welham – David Ransom attended meeting in his absence.

1.2 **Approved Leave of Absence**

Nil

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

Council Decision: **Moved:** **Seconded:**

The minutes of the Ordinary meeting of Council held on 25 August 2016, are confirmed as a true and accurate record.

CARRIED

Council to adopt at next meeting in October 2016 – item 13 (Confidential Report) required amendment and amendments to Minutes requires seven (7) days' notice.

6. Petitions and Memorials

Nil

7. Declarations of Interests

Cr Bill Adams declared his interest with relationship (father/son) with Russell Adams, who's employed by the BHRC.

8. Announcements (by the presiding member without discussion)

Nil

9. Reports of Committees

Nil

10. Business of Previous Meeting

Nil

11. Reports of Officers

11.1 Financial Statements for the period ending 31 August 2016

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 31 August 2016

	ACTUAL	BUDGET	VARIANCE	
• Year-to-date income	831,497	614,459	217,038	<i>favourable</i>
• Year-to-date expenditure	480,843	471,005	(9,838)	<i>unfavourable</i>
• Year-to-date operating surplus	350,654	143,454	207,200	<i>favourable</i>

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

- Year-to-date capital expenditure 47,339 47,3456 9 *favourable*

3. Balance Sheet (**attached** at Appendix 5)

- Current Assets of \$7,740,548 includes: **Actual**
 - Cash and Cash Equivalents 7,040,343
 - Trade and Other Receivables 698,245
 - Inventories 1,960
- Current Liabilities of \$292,443 includes:
 - Trade and Other Payables 118,969
 - Provisions 173,474
- Working Capital (Current Assets *less* Current Liabilities) is 7,448,105
- Equity (Total Assets *less* Total Liabilities) is 10,956,292
- Reserves of \$6,311,092 includes:
 - Plant and Infrastructure Reserve 333,980
 - Site Post Closure Rehabilitation Reserve 3,731,155
 - Waste Minimisation Reserve 705,724
 - Stanley Road Lined Cell Construction Reserve 527,212
 - Site Acquisition and Investigation Reserve 1,013,021

4. Investments

- Total of \$6,959,919 includes:
 - BankWest 1,020,552
 - Commonwealth Bank 452,908
 - National Australia Bank 5,486,459

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 28 July 2016, 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 2016/17.

Cr Peter Monagle resumed as Councillor and took over from Cr Sabourne (Proxy) at 4:06pm

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 Casual tipping revenue favourable compared to budget. The primary reason for this is that Council has received \$254K in August from the Yarloop Fire clean up.	\$237,352 104%
Operating Expenditure	
Materials and Contracts	
Earthworks operations expenditure is above budget because an earth bund has been removed to extend the life of the landfill.	\$(31,570) (120)%

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.	\$207,576 38%
Expenditure by Nature and Type	
Materials and Contracts Please refer above to the comments on Materials and Contracts for the Statement of Comprehensive Income. The variance in earthworks operations expenditure has been offset by savings in various site operations expenses.	\$(19,851) (20)%

Officer Recommendation

Council Decision: Moved: **Cr Murray Cook** Seconded: **Cr Bill Adams**

The Financial Statements for the period ending 31 August 2016 be received.

CARRIED
5/0

RESOLUTION: OC81023-1423

11.2 Summary of Accounts Paid for August 2016

Reporting Officer: Chris Welham, Accountant
File Number:
Attachments:

Summary

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

11.3 Bunbury-Harvey Regional Council Joining the Southwest Regional Waste Group

Reporting Officer: Tony Battersby, Chief Executive Officer
File Number: -
Attachments:

Précis

This agenda item is presented to Council to consider Bunbury-Harvey Regional Council joining the Southwest Regional Waste Group of Councils.

The Southwest Regional Waste Group is made of all twelve Councils in the southwest region of Western Australia. The Group has been formed to explore waste management requirements on a regional basis dominantly landfilling requirements on a regional scale.

The Wellington Group of Councils being City of Bunbury, Shires of Harvey, Capel, Dardanup, Collie, Donnybrook/Balingup and Boyup Brook were originally exploring regional landfill options within the region. The Group has since expanded the area of regional landfill options to include all of the Southwest and all members have become part of the Southwest Regional Waste Group.

Background

The Group commissioned Talis Consultancies to do a Regional Waste Management Strategy (July 2015) Scope of Strategy:

- Aimed to promote regional collaboration on waste management policies and practice to lead to more efficient and sustainable waste management outcomes;
- Identifies and assesses Strategic Options within the Region;
- Undertakes financial assessment of establishing a local or regional landfill;
- Identifies the optimal general location for the development of a regional landfill in the Southwest Region.

Following on from the Regional Waste Management Strategy (July 2015) a further study was commissioned by the Group to undertake a site selection study focusing on the optimum location identified within the Regional Waste Management Strategy – Site Selection Study Regional Waste Facility (July 2016). The findings from this study concluded that the preferred site that warrants further, more detailed consideration is Goodwood Road Capel. The Group has agreed to progress the project on the basis of the preferred site and investigate Royalties for Regions allocated funding options.

Officers Comments

As the two member Councils of the Bunbury-Harvey Regional Council, City of Bunbury and Shire of Harvey are part of this Southwest Regional Waste Group it is crucial that the BHRC is kept well informed about regional waste activities especially regional landfilling. The BHRC are currently well underway with long-term options for landfilling at Stanley Road and any regional landfill developments could potentially make all future expansions at Stanley Road non-viable.

Consultation

Bunbury-Harvey Regional Council, City of Bunbury, Shire of Harvey and Southwest Regional Waste Group.

Financial Implications

Have no financial implications.

Statutory Environment

Nil

Strategic Implications

Bunbury–Harvey Regional Council Strategic Community Plan 2016

Policy Implication

Nil

Voting Requirement

Simple Majority

Officer Recommendation

Council Decision: **Moved:** Cr Murray Cook **Seconded:** Cr James Hayward

That Council authorise the Chief Executive Officer to write to the Southwest Regional Waste Group of Councils requesting permission to become a member of the Group and to participate in any regional waste developments.

CARRIED

5/0

RESOLUTION: OC81023-1425

11.4 DRAFT – Contractor Management Policy

Reporting Officer: Tony Battersby, Chief Executive Officer
File Number: -
Attachments: **Attachment 1:** Contractor Management Policy

Précis

This guide is designed to give contractors information on the Bunbury-Harvey Regional Councils (BHRC) Contractor Management System and provide specific rules when working on a site operated by BHRC.

By reading and understanding this guide, everyone working within a BHRC sites will be able to play their role in maintaining a safe workplace.

The key purpose of this guide is to advise:

- Occupational Safety and Health obligations under the Occupational Safety & Health Act 1984 and Occupational Safety and Health Regulations 1996.
- Identification, assessment and control of hazards relevant to the BHRC site.
- Any relevant operational issues in the management of contractors.

Background

The BHRC has not previously adopted a Contractor Management Policy and has previously unofficially utilised the City of Bunbury Contractor Management Policy for the BHRC contractors and City of Bunbury have previously managed tenders and contracts on the BHRC behalf.

Consultation

BHRC Employees

Officers Comments

The new lined cells will require approval from the Department of Environment and Regulations with a works approval application and a licence amendment to the current licence. It would also require approvals from the DER to fill the void air space between the existing cells 2 and 3 with waste, also requiring an amendment to the current licence.

The application to the DER will need to be accompanied with Detailed Design Works Plan and an Environmental Management Plan

Consultation

Bunbury-Harvey Regional Council, City of Bunbury, Shire of Harvey and Southwest Regional Waste Group.

Financial Implications

Estimated costs to have a consultant prepare application for approvals including Detailed Design Works Plan and Environmental Management Plan will be \$40,000.00.

Statutory Environment

Nil

Strategic Implications

Bunbury–Harvey Regional Council Strategic Community Plan 2016

Policy Implication

Nil

Voting Requirement

Simple Majority

Officer Recommendation

Council Decision:

Moved: Cr Murray Cook

Seconded: Cr Peter Monagle

That Council authorise the Chief Executive Officer to obtain quotes and award contract to suitably qualified consultants to prepare application for approvals to the Department of Environment and Regulations to construct new lined cells at Lot 45 Stanley Road including Detailed Design Works Plan and Environmental Management Plan.

CARRIED

4/1

RESOLUTION: OC81023-1427

The Chairman, Cr Jones directed that names be recorded.

- **For the motion: Cr Jones, Cr Hayward, Cr Cook and Cr Monagle**
 - **Against the motion: Cr Adams**
-

11.6 Purchase of Capital Equipment

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

Précis

This item is presented to Council for Council to consider the approval of funds for purchasing Capital Equipment. The equipment will be utilised in the Stanley Road Waste Facility Operations and will replace the existing landfill compactor. The CEO is seeking Councils approval to purchase the following equipment: One (1) – New Landfill Compactor.

Background

The purchase of one (1) New Landfill Compactor is included in 2016/2017 Budget which was adopted by Council at the Ordinary Meeting held 28 July 2016. The Landfill Compactor will replace the existing Bomag BC772EB landfill compactor which is utilised in the day to day operations at the Stanley Road Waste Facility.

Officer Comment

Funding for the Capital Equipment Purchase is included in the 2016/2017 Annual Budget. Quotations were sourced from an open tender process, advertised in Western Australian Wednesday 24 August 2016 and the Southwest Times Thursday 25 August 2016.

Contract No. RFT1617-0001 for the supply of a one (1) New Landfill Compactor. Tenders closed at 4.00pm on Thursday 15 September 2016 and were opened by the BHRC Chief Executive Officer – Tony Battersby and the BHRC Administration Officer – Martinette Pieterse. Officers conducted an intense review on all tenders submitted and are confident with their evaluations and recommendations.

Tender Submissions

The following quotations were received: ***Supply of New Landfill Compactor including trade-in of the existing Bomag BC772EB Landfill Compactor***

Tender No. Company Address

1 GCM Enviro Pty Ltd, PO Box 143, Mt Kuring-Gai NSW 2080
2 Westrac Pty Ltd 1 Wilson Road Bunbury WA 6230
3 Tutt Bryant Equipment, 50 Great Eastern Highway, South Guildford WA 6055

Outright purchase of the existing Bomag BC772EB Landfill Compactor

Tender No. Company

Nil

Consultation

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

Financial Implications

A budget allocation for the purchase of one (1) New Landfill Compactor, has been included in the 2016/2017 annual budget allocation for Capital Equipment Purchase GL # 49002.215.15:
1 x Landfill Compactor \$825,000.00.

Budget allocation for Capital Income GL # 59000.615.96:
\$130,000.00 income for trade of existing Bomag BC772EB

Strategic Implications

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

Policy Implications

Nil

Voting Requirement

Absolute Majority

Officer Recommendation

Council Decision: **Moved:** Cr Judy Jones **Seconded:** Cr Bill Adams

That Council accepts the tender submission from Westrac Pty Ltd for one (1) new Caterpillar 826K Landfill Compactor for the tender price of \$693,800.00 (excl. GST). That Council accepts the tender submission from Westrac Pty Ltd for the purchase of existing Bomag BC772EB Landfill Compactor for the tendered price of \$75,000.00 (excl. GST).

*** City of Bunbury CEO, Andrew Brien informed council that if a trade or sell of existing plant is greater than \$75,000.00 (excl. GST); a separate tender is required.**

*** Council authorise CEO to continue with purchase and trade when confident that everything is within Regulation. CEO to seek clarification on Regulation about the trade / sell of existing equipment greater than \$75,000.000 (excl. GST)**

CARRIED

5/0

RESOLUTION: OC81023-1428

11.7 Appointment of Auditor

Applicant / Proponent:	Audit Committee
Reporting Officer:	Chris Welham, Accountant Tony Battersby, Chief Executive Officer
File Number:	-
Attachments:	Appendix RAC-1: Ministerial Circular Appendix GT-2: Confidential Quote

Summary

The purpose of this report is to provide Council with information regarding the appointment of auditors for the City.

Background

The Local Government Act 1995 (the Act) requires the accounts and annual financial report of a local government for each financial year be audited by an auditor appointed by the local government.

The City's current auditor (Grant Thornton) has a 5-year contract which expires following the audit of the 2015/16 financial statements.

Council Policy Compliance

Council's current Purchasing Policy "A001 V1" applies, which authorises the Chief Executive Officer, in justifiable circumstances, to waive the need to seek the required number of quotations prior to undertaking a purchase.

Legislative Compliance

The Local Government Act 1995, Local Government (Audit) Regulations 1996, and Local Government (Financial Management) Regulations 1996 apply.

Officer Comments

Ordinarily, the Council would appoint an auditor for a term of between 3 and 5 years to ensure some continuity of service. On this occasion however, the Department of Local Government has advised of its intention to amend the Local Government Act 1995 to allow for the Auditor General and the Office of the Auditor General (OAG) to take responsibility for local government financial audits from 1 July 2017 (attached at Appendix RAC-2).

As part of the same correspondence, the Minister for Local Government has "strongly encouraged" local governments whose audit contracts end following the 2015/16 financial audit to not renew their audit contracts beyond the 2016/17 financial year.

In summary, the Council currently has no auditor appointed for the 2016/17 financial year, and given the sentiments expressed by the Minister for Local Government, should only appoint an auditor for a 1 year term, being for the 2016/17 financial year.

The Accountant, Manager Finance City of Bunbury, and Chief Executive Officer have held discussions in regard to what is the most appropriate course of action for the City to take given the information above, and have concluded that extending the tenure of Grant Thornton for an additional year would be the most advantageous.

To go to the market for a 1 year contract was discussed as an option, however it is considered that appointing a “new” auditor for 1 year only would almost certainly come at an increased financial cost, due to the additional work that would be required by the auditor to familiarise themselves with the City’s financial management procedures. This would also result in an increased workload for staff within the Finance Department.

Accordingly, Grant Thornton was requested to provide a quote for a 1 year extension to their current contract. The quote provided is as attached at Confidential Appendix GT-1. Note that this also includes the annual Financial Management Systems Review as well as the financial audit.

Notwithstanding the Ministerial advice received, the option of going to tender for an extended period (5 years) was also discussed. This was on the basis that Officers consider having the Office of the Auditor General (OAG) take responsibility for local government financial audits will increase the cost of this service being undertaken.

By the Department’s own admission, OAG may still contract out some of the financial audits, which in essence merely adds a “middle man” into the process; the likely result of which will be an increase in the cost to local government. Although the Minister “strongly encourages” local governments to not appoint an auditor beyond 20 June 2017, any contract entered into in this regard would need to be honoured.

Analysis of Financial and Budget Implications

Audit fees form part of Council’s Annual Budget.

Community Consultation

Not applicable.

Councillor/Officer Consultation

This report is presented to Council by the Audit Committee for consideration.

Committee Recommendation

That Council appoint Mr Michael Hillgrove from Grant Thornton Audit Pty Ltd as Auditor of the Bunbury-Harvey Regional Council (BHRC) for the 2016/17 financial year.

* Absolute Majority Required

Council Decision:

Moved: Cr Murray Cook

Seconded: Cr James Hayward

That Council appoint Mr Michael Hillgrove from Grant Thornton Audit Pty Ltd as Auditor of the Bunbury-Harvey Regional Council (BHRC) for the 2016/17 financial year.

CARRIED

5/0

RESOLUTION: OC81023-1429

12. **General Business**

12.1 **Operational Update – September 2016**

- **Request for BHRC Workshop**

Request to conduct a workshop including all BHRC Councillors and Executive Officers from member Councils to discuss medium and long term future of the Regional Council and in particular Stanley Road.

- **Stanley Road Expansion**

Closure and Post-Closure Management Plan was submitted to the DER prior to the closing date of 1 February 2016 - **Awaiting DER response.**

Received draft amendment licence from the DER, there are three areas on concerns that are being addressed with the DER.

1. Stormwater Ponds to be designed to contain leachate and stormwater produced as a result of a 1:100 year storm event have asked DER to amend to 1:20 year storm event.
2. The stringent testing requirements on the LLDPE membrane utilised on the landfill capping, have asked the DER to amend the requirements to a more realistic affordable testing regime.
3. The allowance of 0.7 hectares of native vegetation clearing for footprint step out not being sufficient to allow for new stormwater pond and drainage, have asked the DER for allowance of 1 hectares of native vegetation clearing. All requests to the DER have been met with a positive verbal response.

- **Compost Site Relocation**

Awaiting on the DER new Environmental Standards for Composting to be released which will include the required buffer distances for new compost facilities – Still waiting.

- **Stanley Road Groundwater Monitoring**

First round of groundwater monitoring completed by Hydro Solutions, new monitoring bores south of site have been vandalised making it impossible for Hydro Solutions to test. Attempts are currently being made to clear all debris from each of the bores. Locks have been secured to caps of bores to try and prevent further vandalism.

Debris has been successfully cleared from monitoring wells and all have been securely locked. Incident reported to the local Police report number SDP-01092016-000013.

- **Stanley Road Administration Complex**

Chris Coates consultant engineer doing site drawings and specifications including bushfire prone planning requirements and Veen's Design Drafting Services doing architects drawings and plans for administration complex tender. Tender to include all services i.e. septics, car park, retainer walls, paving, power supply etc. and will have allowances for new or second hand building.

Will make a decision on this matter after the requested BHRC workshop.

- **Yarloop Fire Waste Disposal**

As of 9am Friday 16 September 2016 - 5,338 tonnes of asbestos contaminated soil and 257 tonnes of mulch had been delivered to Stanley Road Waste Facility.

- **Household Hazardous Waste – Operational Management**
The attached Household Hazardous Waste – Operational Management procedure is for Council information – **Attachment 2**
- **Safety Committee Meeting**
Minutes of Safety Committee meeting held on the 24 August 2016 – **Attachment 3**

13. Confidential Reports

CEO Probation

14. Notice of Motion

Nil

15. Next Meeting

To be held on Thursday 27 October 2016 at the BHRC Administration Office, Old Railway Station Complex (Next to City of Bunbury Visitor Centre), Carmody Place, Bunbury, commencing at 4:00pm.

16. Close of Meeting

The Presiding Member closed the meeting at **4:55pm**.