

Bunbury - Harvey Regional Council

Council Agenda



For the Ordinary Council Meeting of

28th August 2014

BUNBURY-HARVEY REGIONAL COUNCIL

**AGENDA FOR THE ORDINARY MEETING OF COUNCIL TO BE HELD ON
28TH AUGUST 2014**

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BUNBURY-HARVEY REGIONAL COUNCIL

MEETING NOTICE AND AGENDA – 28TH AUGUST 2014

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 4:00pm.**

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. 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

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 10th July 2014.

6. **Business of Previous Meeting**

7. **Petitions and Memorials**

8. **Declarations of Interests**

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

10. **Reports of Committees**

11. **Reports of Officers**

11.1 **Financial Statements for the periods ended 30th June 2014**

Reporting Officer: Chris Welham, Accountant

File Number:

Attachments:

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 June 2014

	ACTUAL	BUDGET	VARIANCE
Year-to-date income	\$4,714,985	\$4,483,358	\$231,627 Favourable
Year-to-date expenditure Unfavourable	\$3,284,982	\$3,269,901	\$(15,081)
Year-to-date operating surplus	\$1,430,003	\$1,213,457	\$216,546 Favourable

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

	ACTUAL	BUDGET	VARIANCE
• Year-to-date capital expenditure Favourable	\$ 935,363	\$ 1,357,994	\$422,631

3 Balance Sheet (**attached** at Appendix 4)

- Current Assets of \$6,608,675 includes:
 - i. Cash and Cash Equivalents \$6,191,841
 - ii. Trade and Other Receivables \$ 414,910
 - iii. Inventories \$ 1,924
- Current Liabilities of \$425,833 includes:
 - i. Trade and Other Payables \$ 358,646
 - ii. Provisions \$ 67,187
- Working Capital (Current Assets less Current Liabilities) is: \$6,182,842
- Equity (Total Assets less Total Liabilities) is: \$9,318,499
- Reserves of \$4,081,777 includes:
 - Plant and Infrastructure Reserve \$ 416,210
 - Site Post Closure Rehabilitation Reserve \$3,152,087
 - Waste Minimisation Reserve \$ 513,480

4 Investments

- Total of \$5,882,510 includes:
 - ANZ Banking Group \$2,770,739
 - Commonwealth Bank \$ 720,980
 - Westpac \$2,390,791

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

These summaries include end-of-year forecasts based on a monthly review of year-to-date income and expenditure for all accounts.

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 2) reporting on the revenue and expenditure as set out in the annual budget under Regulations 22 (1) (d) for this month.

The following is an explanation of Significant Capital Variances identified in the Statement of Comprehensive Income and the Statement of Financial Activity:

Preliminary Statement of Comprehensive Income	YTD Actual to YTD Budget Variance
Operating Income	
Waste Education Contributions. This figure includes recoups of education staff time for extra projects.	\$ 15,582 16%
Fees and Charges	
Disposals – City of Bunbury. Tipping volumes did not reduce in winter as much as usual.	\$ 40,949 10%
Banksia Road Compost. Sales income did not achieve budget due to delays in the delivery and licencing of new plant.	\$(149,526) (100)%
Banksia Road Organics Tipping volumes have climbed steadily during the year, above expectations.	\$ 42,429 24%
COB Support Staff. Revenue budget on-costs were above actual on-costs incurred. This revenue includes fees for engineering and environmental services provided by the city to BHRC.	\$ 40,165 27%
Other Revenue Landfill levy income is favourable due to high tonnages being received from Perthwaste Green Recycling.	\$ 132,324 29%
Operating Expenditure	
Employee Costs. Organics expenditure savings were mainly due to the budgeted charge out rates for City of Bunbury support employee on-costs being higher than necessary, resulting in savings in organic waste processing costs.	\$ 41,622 18%
Materials and Contracts	
Composting Operations. This favourable variance includes savings in COB support staff on-costs.	\$ (24,169)
Waste Transfer Station. Plant and Equipment maintenance has increased as the equipment gets older.	\$ (19,404) (20%)
Earthworks Operations. This variance includes \$26k to repair the right rear wheel drive on the Bomag Compactor.	\$ (44,186) (16)%
Depreciation Plant and Equipment Lower depreciation due to delays in delivery new plant purchases e.g. Compost Aerators and Household Hazardous Waste Storage.	\$ 44,404 12%

Non-Operating Income. State/Commonwealth Grant Funding. Grants availability for Compost Aerators has been deferred and will be applied for in 2014/15.	\$ (162,000) (45%)
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Preliminary Statement of Financial Activity

**YTD Actual
to YTD
Budget
Variance**

Other Revenue Other revenue includes a \$132,324 increase in landfill levy income.	\$ 155,606 31%
Other Expenditure Other expenditure includes \$94,198 increase in landfill levy expense which is fully recouped by on-charging to customers plus a margin of 8.7%.	\$ (110,068) (24)%
Capital Expenditure Stanley Road expenditure is favourable compared to budget (28%) because stormwater control expenditure has been carried forward in to the 2014/15 year. Banksia Road expenditure is favourable compared to budget (49%) because the compost aerator funding has not been received.	\$ 422,631 31%

Executive Recommendation

The Preliminary Financial Statements for the period ending 30 June 2014 be received.

11.2 Write Off of Account Receivable Balances

Reporting Officer: *Chris Welham, Accountant and Tony Battersby, Chief Executive Officer*
Attachments: *Appendix 8*

The accumulated balance of Council's Accounts Receivable for Sundry Debtors, is \$403,512 as at 30 June 2014.

A review of outstanding invoices is regularly conducted to determine that unpaid amounts can be recovered. Debtor's follow-up of unpaid invoices usually ensures that invoices raised are collected within 90 days of issue. However there are instances where amounts are deemed to be not collectable or the cost of recovery is not economically feasible for the amount outstanding.

In all instances:

- a) All the necessary measures have been taken to recover the debt,
- b) The debt remains unpaid for a minimum period of 90 days after its date for payment, and
- c) A list of debts written off is presented to Council.

All endeavours to facilitate collection of the outstanding amounts have been unsuccessful to date. Efforts to recover the Instant Waste debt will continue. However because the amount has been outstanding for several years, it is prudent to write the debt off as uncollectible as at 30 June 2014.

The list of debtor's invoices (as **attached** at Appendix 8) totalling \$17,430.97 will be written off as at 30 June 2014.

For Council information only

Executive Recommendation

Council Write Off \$17,430.97 of Account Receivable invoices as at 30 June 2014 as listed in Appendix 8. .

11.3 Payments of Accounts for June 2014 and July 2014

Reporting Officer: Chris Welham, Accountant
File Number: -
Attachments: Summary of Accounts Paid for June 2014 and July 2014

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 June 2014 and July 2014

Background

As noted above.

Officer Comment

The attachment details all payments made for June 2014 and July 2014

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 2013/2014 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 June 2014 and July 2014 be received.

12. General Business

12.1 Operational Update for August 2014

Reporting Officer: Tony Battersby, Chief Executive Officer

File Number: -

• **Expansion of the Regional Council**

Royalties for Regions funding application has been successful with securing \$4,150,000.00 for the purchase of Lot 1 Banksia Road Crooked Brook and operational upgrades to the facility.

Shire of Dardanup to consider offer by the Wellington Group of Councils at its Council meeting on the 21st May 2014. Wellington Group of Councils to meet on the 23rd May 2014 to discuss the outcome of the Shire of Dardanup Council decision on the sale of Lot1 Banksia Road Crooked Brook.

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

- 1. BHRC to put in a tender to purchase Lot 1 Banksia Road with three proposed options: Purchase outright with no conditions, Purchase outright with guaranteed 10 year waste disposal charge rates and operational cost of managing waste transfer station and Purchase two thirds of the site with Shire of Dardanup retaining one third ownership of the site and the Shire of Dardanup becoming a member Council to BHRC. (Note the purchase price will need to take into account – rehabilitation of Stanley Road with clay obtained from Banksia Road, composting facility located at Banksia Road, continuity of employment for BHRC in-house operational work force).*
- 2. Alternative parcels of land that would be suitable for future regional landfill facilities with thought being given to suitable sites between Bunbury and Busselton and the possibility of incorporating the whole of waste in the Southwest Region,*
- 3. 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.*
- 4. Costing of using a synthetic liner on the Stanley Road capping as an alternative to clay from Banksia Road.*

*A submission on behalf of the BHRC has been sent to the Shire of Dardanup with the focus of the submission being for the Shire of Dardanup to retain Lot1 Banksia Road as a regional landfill. – **Letter Attached from Shire of Dardanup***

• **Bunbury Wellington Regional Grouping (BWRG)**

Round two of funding applications open on 10th January 2014.

Application for round two of the funding is being completed, three projects for funding are being sourced one (1) Eleven additional Mobile Composting Aerators. Two (2) Concrete bunkers for screened compost – Banksia Road. Three (3) Additional Frontend Loaders to cope with extra work load – Banksia Road - **Decision pending.**

• **Tour of Waste to Energy Facilities**

National Energy from Waste Symposium – Exploring opportunities and synergies for today and the future 23rd and 24th July 2014 Mantra Lorne, Victoria. Cr Greg Campbell and CEO Tony Battersby will be attending. **Presentation on waste to energy by Tony Battersby.**

- **Waste and Recycling 2014 Conference – Banksia Road Compost Facility**

The Waste and Recycling Conference Committee has requested the BHRC to host a tour of the Banksia Road Compost Facility as part of this year’s conference.

- **Stanley Road Waste Facility License Extension**

DER requested a copy of the draft Stanley Road Management Plan completed by ASK Waste Management (Giles Perryman). The Management Plan has been forwarded to DER who has indicated that they will be finalising the new 12 month licence for Stanley Road Waste Facility based on the Management Plan – rehabilitation, storm water management.

DER has sent out Stanley Road Licence extension with timeframe of works to be completed to receive an additional eighteen months extension.

Table 2. Schedule of works

Activity reference	Activity	Completion Date
A5	The Licensee shall construct/install infrastructure for the post-closure management of stormwater, including stormwater drains and lined sumps and ponds. (Under Construction – Extension granted, Contractors commenced on installing liners.)	30 June 2014
A6	The Licensee shall undertake further groundwater investigations to determine the full extent and severity of groundwater contamination at the site, and identify receptors that could be affected by the contamination. A report on the investigations shall be provided to the Director for approval, to include proposals for setting conditions relating to preventing/minimising emissions to groundwater and remediation of groundwater that is already contaminated. (Being Completed)	

Correspondence has been received from the DER in regards to their concerns over the BHRC’s failure to commence the capping of Stanley Road Landfill.

- **Banksia Road Organics Processing Facility**

Test results have been received and all look good with materials fit for purpose as soil conditioner/compost. **Copy Attached.**

Organics Facility - 2014/2015 Budget

Expenditure

Facility Operational Expenditure \$557,300
 COB Support Staff \$103,436
 (Includes \$219,875 of Depreciation)

Total **\$660,736**

**Organics Facility - 2015/2016 Budget
 (Proposed)**

Expenditure

Facility Operational Expenditure \$709,592
 COB Support Staff \$107,573
 (Includes \$219,875 of Depreciation)

Total **\$817,165**

Income		Income	
Organic Tipping Fees	\$241,500	Organic Tipping Fees	\$330,000
Sale of Compost	\$150,000	Sale of Compost	\$240,000
COB Support Staff Income	\$143,249	COB Support Staff Income	\$148,979
Sale of 7,000 Tonne of Air Space (Made Available at Stanley Road)	\$350,000	Sale of 7,000 Tonne of Air Space (Made Available at Stanley Road)	\$364,000
Carbon Credits	\$?	Carbon Credits	\$?
Total	\$884,749	Total	\$1,082,979

Letter received from Landsave Organics has been received requesting to purchase all compost from Banksia Road Compost Facility – **Confidential Letter Attached.**

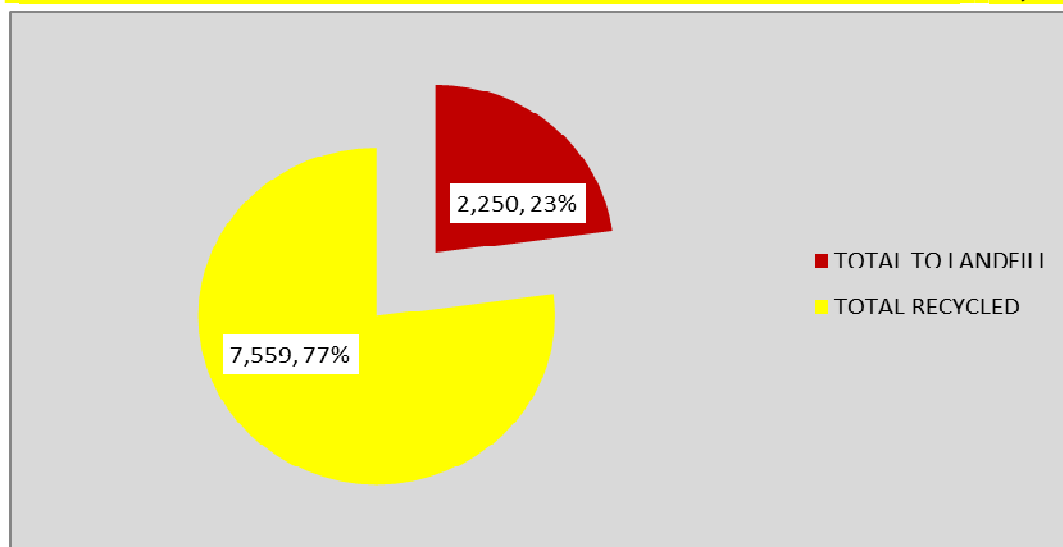
• **2014/2015 Recycling Results**

Stanley Road Waste Transfer Station

Recycling Results for 2013/2014

Used Motor Oil	16	Recycled
Tyres	29	Recycled
Green waste	4109	Recycled
Bulk Steel	706	Recycled
Car Batteries	25	Recycled
Scrap Metals	6	Recycled
Cardboard	48	Recycled
Electronic Waste	54	Recycled
Household Hazardous Waste	44	Recycled
Trash and Treasure Shop	31	Recycled
Clean Rubble	1932	Recycled
Mattresses	21	Recycled
Wood Waste	534	Recycled
Co-mingled Dry Recyclables	2	Recycled
Mixed Waste	2250	Landfilled
TOTAL	9809	

TOTAL TO LANDFILL	2,250
TOTAL RECYCLED	7,559

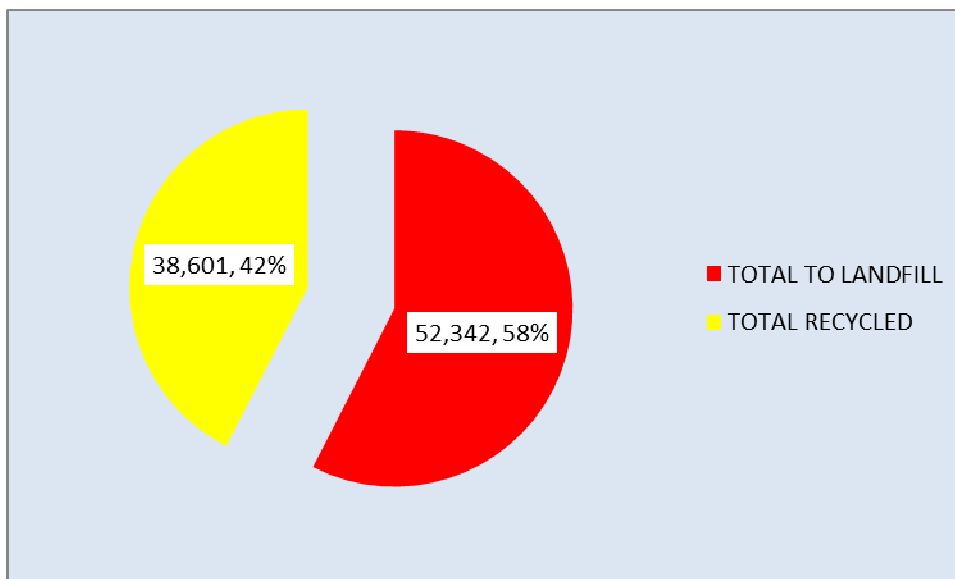


Old waste transfer station had a recovery rate of 58% recycling and prior to having a waste Transfer station at Stanley Road the recovery rate was around 5% recycling.

BHRC Total Operations

Recycling Results for 2013/2014	TONNES
Used Motor Oil	16
Tyres	29
Green waste	4982
Bulk Steel	885
Car Batteries	25
Scrap Metals	6
Electronic Waste	54
Cardboard	48
Wood/Timber	534
Co-mingled Dry Recyclables	2
Household Hazardous Waste	44
Trash and Treasure Shop	31
Clean Fill - Rehabilitation	6884
Inert Rubble - Back Filled	14286
Organics	10,773
TOTAL	38601

TOTAL TO LANDFILL	52,342
TOTAL RECYCLED	38,601



- Staff Matters**

Corey Stidworthy to attend Waste and Recycling Conference Fremantle late September.

Mark Hay on annual leave for two weeks.

Tony Battersby on annual leave for two week from 3rd September 2014 (Gold Coast)

13. Confidential Reports

