

Bunbury - Harvey Regional Council

Council Agenda



For the Ordinary Council Meeting of

28th May 2015

**BUNBURY-HARVEY REGIONAL COUNCIL
AGENDA FOR THE ORDINARY MEETING OF COUNCIL TO BE HELD ON 28TH MAY 2015**

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BUNBURY-HARVEY REGIONAL COUNCIL

MEETING NOTICE AND AGENDA – 28TH MAY 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 Office, 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 23rd April 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 30th April 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 30 April 2015

	ACTUAL	BUDGET	VARIANCE	
Year-to-date income	3,822,153	4,105,830	(283,677)	<i>unfavourable</i>
Year-to-date expenditure	2,976,425	2,983,129	6,704	<i>favourable</i>
Year-to-date operating surplus	845,728	1,122,701	(276,973)	<i>unfavourable</i>

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

Year-to-date capital expenditure	433,404	431,080	(2,324)	<i>unfavourable</i>
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3. Balance Sheet (**attached** at Appendix 4)

Current Assets of \$7,234,090 includes:	Actual	Forecast
Cash and Cash Equivalents	6,775,976	7,071,220
Trade and Other Receivables	455,732	352,966
Prepayments	560	0
Inventories	1,822	1,822
Current Liabilities of \$245,740 includes:		
Trade and Other Payables	122,204	180,056
Provisions	133,536	146,155
Working Capital (Current Assets <i>less</i> Current Liabilities) is	6,988,350	7,099,797
Equity (Total Assets <i>less</i> Total Liabilities) is	9,844,452	9,986,495
Reserves of \$4,720,540 includes:		
Plant and Infrastructure Reserve	433,474	432,234
Site Post Closure Rehabilitation Reserve	3,256,092	3,270,631
Waste Minimisation Reserve	526,564	528,126
Banksia Road Construction Reserve	504,410	512,789

4. Investments

Total of \$6,678,485 includes:

ANZ Banking Group	1,187,814
Commonwealth Bank	1,554,423
National Australia Bank	2,104,907
Westpac	1,831,341

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)

These summaries include the February Budget Review changes adopted by Council and revised 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.

At the Council Meeting on 10 July 2014, 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 2014/15.

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	
Sale of scrap Metal. The forecast has been reduced by \$30,000 due to reduced market prices.	\$ (34,836)
Banksia Road Compost Sales. The forecast has been reduced by \$100,000. It was expected that one customer would take the entire Banksia Road stockpile but this did not eventuate. The CEO is researching the market for new corporate customers.	\$ 89,498 (72)%

Interest Earnings	
Interest earned is better than budget as interest rates received are higher than budget and payments for plant purchases and site rehabilitation are later than expected	\$22,879 10%
Other Revenue	
Landfill Levy Income. This is 16% below budget year-to date due to lower tonnages being received from Perth metro area so far this year because Perth waste has been using their own new landfill.	\$(76,812) (16)%
Operating Expenditure	
Other Expenditure	
Landfill Levy Expense is below budget in line with decreased Levy received from customers as above. Note the landfill levy expense is fully recouped by on-charging to customers plus a margin of 8.7%. This has been addressed in the March budget review.	\$69,576 16%
Statement of Financial Activity	YTD Actual to YTD Budget Variance
Interest Earnings Interest earned is better than budget as interest rates received are higher than budget and payments for plant purchases and site rehabilitation are later than expected.	\$ 22,879 10%
Other Revenue	
This is 13% below budget year-to date due to lower tonnages being received from Perth metro area so far this year because Perth waste has been using their own new landfill.	\$(73,606) (13)%
Other Expenditure includes \$69,576 saving in landfill levy expense. Note the landfill levy expense is fully recouped by on-charging to customers plus a margin of 8.7%.	\$ 75,098 12%

Executive Recommendation

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

11.2 Payments of Accounts for April 2015

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

Background

As noted above.

Officer Comment

The attachment details all payments made for April 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 2014/2015 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 April 2015 be received.

11.3 DRAFT Schedule of Fees and Charges 2015/2016

Reporting Officer:

*Tony Battersby, Chief Executive Officer and
Chris Welham, Accountant*

File Number:

-

Attachments:

-

Précis

Section 6.1 of the Local Government Act 1995 requires a local government to prepare and adopt (in the period June 1 to August 31) an annual budget of its Municipal fund for that same year.

The Schedule of proposed Fees and Charges for the 2015/2016 Financial Year forms part of the 2015/2016 Budget.

Background

As mentioned above.

Officer Comment

The Schedule of proposed Fees and Charges for the 2015/2016 Financial Year forms part of the 2015/2016 Budget.

The Schedule of Fees and Charges 2015/2016 to be effective as of the 1st July 2015.

There is an allowance of \$2.00 per tonne in the Fees and Charges for Waste Minimisation Strategies. It is intended that the \$2.00 per tonne will be transferred into a reserve for funding of future waste minimisation projects.

Consultation

Schedule of Fees and Charges for 2015/2016 to be advertised in the South Western Times and the Harvey Reporter in the first week of June 2015 and schedule of Fees and Charges for 2015/2016 to be distributed out to Stanley Road Waste Facility customers from 29th May 2015.

Financial Implications

Discussed in the body of the report.

Statutory Environment

Section 6.1 of the Local Government Act 1995 applies.

Strategic Implications

Nil

Policy Implications

Nil

Voting Requirement

Absolute Majority

	Increase / Decrease %	2015/16 Fees Budget Proposal (Incl. GST)	2014/15 Fees (Incl. GST)	2013/14 Fees (Incl. GST)
LIGHT VEHICLES (Volume of Waste)				
Per Car or Station Wagon	7.8%	\$13.00	\$12.00	\$12.00
Per Utility or trailer (up to 1.8m x 1.2m)	5.5%	\$19.00	\$18.00	\$18.00
Per Trailer or large utility (up to 2.1m x 1.2m or Trailer with sides exceeding 600mm)	7.4%	\$29.00	\$27.00	\$27.00
HEAVY VEHICLES WEIGHBRIDGE				
Co-mingled Waste per tonne	3.7%	\$57.00	\$55.00	\$53.00
Minimum Charge		\$57.00	\$55.00	\$53.00
Clean Green Waste per tonne	0%	\$41.00	\$41.00	\$39.50
Minimum Charge		\$41.00	\$41.00	\$39.50
Clean Cardboard Waste per tonne	0%	\$28.50	\$28.50	\$27.50
Minimum Charge		\$28.50	\$28.50	\$27.50
Clean Fill – Suitable for Daily Cover and Road Building per tonne	0%	\$0	\$0	\$2.50
Minimum Charge		\$0	\$0	\$2.50
Building and Demolition Waste per tonne (No Gyprock or Timber)	0%	\$5.00	\$5.00	\$5.00
Minimum Charge		\$5.00	\$5.00	\$5.00
OTHER WASTE				
Tyres				
• Car (per Tyre)	0%	\$5.50	\$5.50	\$5.50
• Truck (per Tyre)	0%	\$20.00	\$20.00	\$20.00
Car Bodies	0%	\$15.00	\$15.00	\$15.00
Special Burial (i.e. Asbestos) per tonne	0%	\$82.00	\$82.00	\$82.00
Minimum Charge		\$82.00	\$82.00	\$82.00

Quarantine Waste per tonne Minimum Charge	4%	\$130.00 \$130.00	\$125.00 \$125.00	\$120.00 \$120.00
TIP PASSES				
Charges to Shire of Harvey for tip pass usage – as per light vehicles as detail above:				
Per Car or Station Wagon	7.8%	\$13.00	\$12.00	\$12.00
Utility or Trailer	5.5%	\$19.00	\$18.00	\$18.00
Large Trailer / Large Utility	7.4%	\$29.00	\$27.00	\$27.00
REBATE				
To City of Bunbury / tonne	0%	\$11.00	\$11.00	\$11.00
To Shire of Harvey / tonne	0%	\$11.00	\$11.00	\$11.00

Stanley Road Waste Management Facility

Operating Income

	Revised Budget 2014/2015	Proposed Budget 15/2016
Casual Tipping Fees	\$1,967,646.00	\$1,828,570.00
Sale of Scrap Metal	\$130,000.00	\$90,000.00
Disposal – City of Bunbury	\$473,010.00	\$499,896.00
Disposal – Shire of Harvey	\$391,893.00	\$399,430.00
Shire of Harvey Tip Passes	\$180,032.00	\$192,738.00
Waste Minimisation Income	\$80,600.00	\$79,923.00
Landfill Levy Income	\$565,000.00	\$50,000.00
Recycling Shop	\$35,400.00	\$36,878.00
Sale of Mulch	\$10,000.00	\$10,000.00
Sale of Cardboard	\$3,500.00	\$3,500.00

Banksia Road Waste Management Facility

	Increase / Decrease %	2015/16 Fees Budget Proposal (Incl. GST)	2014/15 Fees (Incl. GST)	2013/14 Fees (Incl. GST)
HEAVY VEHICLES WEIGHBRIDGE				
Organic Waste per tonne Minimum Charge	27.7%	\$30.00 \$30.00	\$23.50 \$23.50	\$22.00 \$22.00
Clean Green Waste per tonne Minimum Charge	0%	\$23.50 \$23.50	\$23.50 \$23.50	\$22.00 \$22.00
Organic Waste with over 12% Contamination per tonne Minimum Charge	5%	\$115.50 \$115.50	\$110.00 \$110.00	

Operating Income

	Revised Budget 2014/2015	Proposed Budget 15/2016
Organic Tipping Fees	\$275,400.00	\$352,944.00
Sale of Compost	\$150,000.00	\$100,000.00

Officer Recommendation

The Schedule of proposed Fees and Charges (which forms part of the 2015/2016 Budget) is adopted effective 1st July 2015.

12. General Business

12.1 Operational Update for April 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.*

Meeting conducted between DER, Talis Consultants and myself to discuss Stanley Road Landfill Hydrogeological Investigation report, Stanley Road Landfill Closure Plan (Synthetic Liner) and future lined cells at Stanley Road.

Verbal agreement given by DER to adjust existing landfill footprint and fill valley between cells 1-2 and 3.

DER Executive Management team from Perth and the Southwest regional office inspected the Stanley Road site to consider the amendments to the licence.

Unofficially the amendments were met with favour by the DER and discussion was also held on the proposed lining of future cells at the site which unofficially was also met with a favourable response.

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

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

The Wellington Regional Group has been successful with two of the three funding projects, Mobile Composting Aerators successful, Concrete Bunkers successful. Funding agreement to be signed and sent back, time frames to be adjusted.

Met with Officers from the Waste Authority to discuss amendment to the funding agreement time frames. New agreement will be supplied.

Meeting to be held on the 22nd May 2015 between Southwest Councils to discuss Talis report on Regional Waste.

- **Waste to Energy**

Worsley conducted an on sight meeting between Talis Consultants, myself and representatives from Worsley on the feasibility of modifying their existing boilers to accept municipal waste or the cost to construct a purpose built waste to energy facility - [Next meeting scheduled early April 2015](#)

Currently mulching stock pile of wood waste at Stanley Road to 30mm for trial alternative fuel source at Worsley, first stage of exploring waste to energy facility at Worsley.

Sample of 30mm wood waste mulch sent to Worsley for quality assurance prior to proceeding any further with transport of wood waste mulch stockpile.

- **Skip Bin Waste Separation - Pilot**

A two to three week skip bin waste separation is currently being conducted to determine the feasibility into the setting up of a permanent program. The pilot is separating steel, rubble, wood, cardboard, trash and treasure, non-ferrous metals and green waste. Contractor's excavator broke down and only four day trial was able to be conducted.

Results:

Date	Skip Tonnages	Wood Recovered	Steel Recovered	Waste to Landfill
13th April	13.6 Tonnes	2.42 Tonnes	.92 Tonnes	4.04 Tonnes
14th April	30.46 Tonnes	4.92 Tonnes	1.52 Tonnes	19.26 Tonnes
15th April	24.08 Tonnes	6.64 Tonnes		18.06 Tonnes
16th April	20.88 Tonnes	12.30 Tonnes	3.18 Tonnes	15.76 Tonnes
Total	89.02 Tonnes	26.28 Tonnes 29.52%	5.62 Tonnes 6.32%	57.12 Tonnes 64.16%

Combined Recovery 35.84%

In addition to the wood and steel being recovered was the recovery of illegally disposed waste such as: asbestos, tyres, gas bottles, paints, oils and electronic waste. Also reusable waste was recovered and sold through the trash and treasure shop as well as non-ferrous metals were recovered and sold to the local scrap dealer - **Photos Attached.**

- **Wellington Group Regional Waste Education Program**

Current memorandum expires on 30th June 2015, a new budget with option of two fulltime Officers has been distributed to all member Council Officers for budget consideration, and feedback so far is opting toward the two fulltime Officers.

Awaiting confirmation from Wellington Group of Councils on their preferred option so a new memorandum can be completed and signed.

- **Bomag Landfill Compactor**

The Bomag Landfill Compactor has had a major engine failure and will require an engine replacement. Cost and availability of new engine are currently being obtained with the cost likely to be in the vicinity of \$60,000 to \$80,000.

The scheduled replacement of the Bomag will be further delayed for a further three to four years to counter offset the cost of the engine replacement.

- **Staff Matters**

13. **Confidential Reports**

14. **Notices of Motion**

15. **Next Meeting**

To be held on Thursday 25 June 2015 at the **Shire of Harvey Admin Office, Mulgara Street, Australind, commencing at 4:00pm.**

16. **Closure**

Comments / Notes

