

Bunbury - Harvey Regional Council

Council Agenda



For the Ordinary Council Meeting of

2nd October 2014

BUNBURY-HARVEY REGIONAL COUNCIL

**AGENDA FOR THE ORDINARY MEETING OF COUNCIL TO BE HELD ON
2ND OCTOBER 2014**

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BUNBURY-HARVEY REGIONAL COUNCIL

MEETING NOTICE AND AGENDA – 2ND OCTOBER 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**
Cr Murray Cook – Apology
Cr Brendan Kelly to attend meeting on behalf of Cr Cook

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. Brendan Kelly (City of Bunbury – Proxy)			
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 28th August 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 period ended 31st July 2014

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 July 2014

	ACTUAL	BUDGET	VARIANCE	
Year-to-date income	\$332,753	\$420,095	\$ (87,342)	Unfavourable
Year-to-date expenditure	\$ (207,197)	\$ (242,517)	\$35,320	Favourable
Year-to-date operating surplus	\$125,556	\$177,578	\$ (52,022)	Unfavourable

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

	ACTUAL	BUDGET	VARIANCE
• Year-to-date capital expenditure	\$ 0	\$ 0	\$0

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

- Current Assets of \$6,518,863 includes:
 - i. Cash and Cash Equivalents \$6,109,240
 - ii. Trade and Other Receivables \$ 407,241
 - iii. Prepayments \$ 560
 - iv. Inventories \$ 1,822
- Current Liabilities of \$253,359 includes:
 - i. Trade and Other Payables \$ 138,899
 - ii. Provisions \$ 114,460
- Working Capital (Current Assets less Current Liabilities) is: \$6,265,504
- Equity (Total Assets less Total Liabilities) is: \$9,160,593
- Reserves of \$4,082,838 includes:
 - Plant and Infrastructure Reserve \$ 419,335
 - Site Post Closure Rehabilitation Reserve \$3,152,087
 - Waste Minimisation Reserve \$ 511,416

4 Investments

- Total of \$6,025,027 includes:
 - ANZ Banking Group \$2,882,694
 - Commonwealth Bank \$ 852,333
 - Westpac \$2,290,000

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.

Statement of Comprehensive Income	YTD Actual to YTD Budget Variance
Operating Income	
Fees and Charges	
Casual Tipping Fees. Perthwaste Green Recycling tipping has reduced by \$100k per month compared to the last few months of the 2013.14 year.	\$ (66,672) (37)%
Other Revenue Landfill levy income is unfavourable due to lower tonnages being received from Perthwaste Green Recycling.	\$ (30,967) (60)%
Operating Expenditure	
Other Expenditure	
Landfill Levy. Land fill levy expenditure is favourable because of reduced tonnages being received from Perth as per the note for Casual Tipping Fees and Other Revenue above.	\$ 28,490 60%

Statement of Financial Activity	YTD Actual to YTD Budget Variance
Other Revenue Other Revenue includes Landfill levy income which is unfavourable due to lower tonnages being received from Perthwaste Green Recycling.	\$ (29,664) (54)%
Other Expenditure Other expenditure includes \$28,490 decrease in landfill levy expense which is fully recouped by on-charging to customers plus a margin of 8.7%.	\$ 30,178 45%

Executive Recommendation

The Preliminary Financial Statements for the period ending 31 July 2014 be received.

11.2 Financial Statements for the periods ended 31st August 2014

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)

b) Year-to date Financial Performance to 31 August 2014

	ACTUAL	BUDGET	VARIANCE	
Year-to-date income	\$737,964	\$809,086	\$ (71,122)	Unfavourable
Year-to-date expenditure	\$ (478,437)	\$ (521,105)	\$42,668	Favourable
Year-to-date operating surplus	\$259,527	\$287,980	\$ (24,454)	Unfavourable

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

	ACTUAL	BUDGET	VARIANCE
• Year-to-date capital expenditure	\$ 0	\$ 0	\$0

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

- Current Assets of \$6,738,828 includes:
 - i. Cash and Cash Equivalents \$6,206,562
 - ii. Trade and Other Receivables \$ 529,883
 - iii. Prepayments \$ 560
 - iv. Inventories \$ 1,822
- Current Liabilities of \$296,958 includes:
 - i. Trade and Other Payables \$ 187,222
 - ii. Provisions \$ 109,736
- Working Capital (Current Assets less Current Liabilities) is: \$6,441,870
- Equity (Total Assets less Total Liabilities) is: \$9,294,561
- Reserves of \$4,094,059 includes:
 - Plant and Infrastructure Reserve \$ 422,285
 - Site Post Closure Rehabilitation Reserve \$3,155,248
 - Waste Minimisation Reserve \$ 516,526

5 Investments

- Total of \$5,980,875 includes:
 - ANZ Banking Group \$2,875,630
 - Commonwealth Bank \$ 804,035
 - Westpac \$2,301,210

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.

Statement of Comprehensive Income	YTD Actual to YTD Budget Variance
Operating Income	
Fees and Charges	
Casual Tipping Fees. Perthwaste Green Recycling tipping has reduced compared to the last few months of the 2013.14 year. However this is expected come back to budgeted levels in September.	\$ (53,666) (37)%
Other Revenue Landfill levy income is unfavourable due to lower tonnages being received from Perthwaste Green Recycling.	\$ (25,956) (25)%
Operating Expenditure	
Other Expenditure	
Landfill Levy. Land fill levy expenditure is favourable because of reduced tonnages being received from Perth as per the note for Casual Tipping Fees and Other Revenue above.	\$ 23,880 25%

Statement of Financial Activity

**YTD Actual to
YTD Budget
Variance**

Other Revenue Other Revenue includes Landfill levy income which is unfavourable due to lower tonnages being received from Perthwaste Green Recycling.	\$ (23,606) (21)%
Other Expenditure Other expenditure includes \$23,880 decrease in landfill levy expense which is fully recouped by on-charging to customers plus a margin of 8.7%.	\$ 28,751 22%

Executive Recommendation

The Preliminary Financial Statements for the period ending 31 August 2014 be received.

11.3 Amended Schedule of Fees and Charges for Sale of Compost 2014/2015 at Banksia Road

Reporting Officer:

Tony Battersby, Chief Executive Officer

Attachments:

The Schedule of proposed Fees and Charges for sale of compost at Banksia Road forms part of the 2014/2015 Budget.

Background

As mentioned above.

Officer Comment

The Schedule of proposed Fees and Charges for the 2014/2015 Financial Year forms part of the 2014/2015 Budget.

The Schedule of Fees and Charges 2014/2015 to be effective as of the 3rd October 2014.

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

Banksia Road Waste Management Facility

Operating Income

	Revised Budget 2013/2014	Proposed Budget
2014/2015		
Organic Tipping Fees	\$180,000.00	\$241,500.00
Sale of Compost	\$150,000.00	\$150,000.00

	Increase / Decrease %	2014/15 Fees Budget Proposal (Incl. GST)	2013/14 Fees (Incl. GST)	2012/13 Fees (Incl. GST)
HEAVY VEHICLES WEIGHBRIDGE				
Organic Waste per tonne <i>Minimum Charge</i>	6.8%	\$23.50 \$23.50	\$22.00 \$22.00	\$22.00 \$22.00
Clean Green Waste per tonne <i>Minimum Charge</i>	6.8%	\$23.50 \$23.50	\$22.00 \$22.00	\$22.00 \$22.00
Organic Waste with over 12% Contamination per tonne <i>Minimum Charge</i>		\$110.00 \$110.00		
Sale of Compost per tonne Public Sales	New	\$39.60		
Sale of Compost per tonne Wellington Group of Councils	New	\$33.00		

Officer Recommendation

The amended Schedule of proposed Fees and Charges (which forms part of the 2014/2015 Budget) is adopted effective 3rd October 2014.

11.4 Payments of Accounts for August 2014

Reporting Officer: *Chris Welham, Accountant*
File Number: -
Attachments: *Summary of Accounts Paid for August 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 advise of payments made for August 2014

Background

As noted above.

Officer Comment

The attachment details all payments made for August 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 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 August 2014 be received.

12. General Business

12.1 Operational Update for September 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.

Dear Sir/madam

RE: SALE OF LOT 1, 3003 BANKSIA ROAD – EXTENSION OF CLOSING DATE

Please be advised that the closing date for lodging expression of interest in the purchase of Lot 1, 3003 Banksia Road has been extended to **Wednesday the 15 October 2014 at 4pm.**

Please contact my Manager Governance Services, Mrs Cathy Lee on 9724 0306 or via email cathy@dardanup.wa.gov.au to seek further information if required.

Yours sincerely



MR MARK L CHESTER
Chief Executive Officer

Talis Consulting have completed the financial modelling on BHRC purchasing Lot 1 Banksia Road: **Report Attached.**

- ***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. Met with representatives from BHP Billiton - Worsley Alumina Refinery and held discussion on their biomass multi-fuel boiler. Currently still commissioning facility and learning its capabilities, at this stage have confirmed that it can take up to five percent plastics. Further meetings to be held in the future.

- **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.

Completed

- **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.

Bi-monthly on site meetings is being held between the local DER Officer and me to progress the required works and rehabilitation commencement.

- **Banksia Road Organics Processing Facility**

Test results have been received and all look good with materials fit for purpose as soil conditioner/compost. Lawyers Civic Legal has completed a draft “Terms of Trade” for the sale of compost -**Draft Attached.**

