



# Ordinary Council Meeting

## Notice of Meeting & Agenda

**22 June 2017**

**Meeting to be held at: The Sire of Harvey Council Chambers,  
Mulgara Street, Australind on Thursday 22 June 2017,  
commencing at 4:00pm**

**Bunbury-Harvey Regional Council**  
Lot 51 Stanley Road, Wellesley  
Western Australia 6233

*Correspondence to:*  
Post Office Box 111  
Australind WA 6233



Dear Chairman and Councillors

The next Ordinary Meeting will be held at the *Shire of Harvey Council Chambers, Mulgara Street, Australind* on Thursday 22 June 2017 at 4:00pm.

Signed:

**Tony Battersby**

**Chief Executive Officer**

**The Chairman Cr Judy Jones declares the meeting open at \_\_\_\_\_.**

## Agenda 25 May 2017

### *Council Members:*

<b>Member Name</b>	<b>Representing</b>
Cr Judy Jones	City of Bunbury (Chairman)
Cr Jaysen Miguel	City of Bunbury
Cr Murray Cook	City of Bunbury
Cr Peter Monagle	Shire of Harvey
Cr Bill Adams	Shire of Harvey (Deputy Chairman)

### *Ex-officio Members (non-voting):*

<b>Member Name</b>	<b>Representing</b>
Mr Tony Battersby	Chief Executive Officer (BHRC)
Mr Michael Parker	Chief Executive Officer (Shire Of Harvey)
Mr Mal Osborne	Acting Chief Executive Officer (City of Bunbury)

### *Support Staff:*

<b>Name</b>	<b>Title</b>
Ms Martinette Pieterse (minute taker)	Secretary
Chris Welham	Accountant

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**ATTACHMENTS:**

- Attachment 1** - **Draft Corporate Revenue Debt Collection Policy**
- Attachment 2** - **Draft Budget 2017-2018**
- Attachment 3A** - **Letter of Final Demand send to Aurigen Pty Ltd**
- Attachment 3B** - **Correspondence Received from Lothbury Advisory Pty Ltd on behalf of Aurigen Pty Ltd**
- Attachment 4** - **DER Letter of Response - Suspected Contaminated Site**
- Attachment 5** - **Draft Establishment Agreement**

**1. Attendances**

**1.1 Apologies**

**1.2 Approved Leave of Absence**

**2. Public Question Time**

**3. Summary of Response to previous Questions taken on notice**

**4. Applications for Leave of absence**

Council Decision: Moved \_\_\_\_\_ Seconded \_\_\_\_\_

CARRIED/LOST

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**5. Confirmation of Minutes**

Council Decision: Moved \_\_\_\_\_ Seconded \_\_\_\_\_

The minutes of the Ordinary meeting of Council held on 25 May 2017, are confirmed as a true and accurate record.

CARRIED/LOST

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**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 ending 31 May 2017**

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 May 2017

	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	
• Year-to-date income	5,291,547	4,679,408	612,139	<i>favourable</i>
• Year-to-date expenditure	4,921,639	3,937,958	(983,681)*	<i>unfavourable</i>
• Year-to-date operating surplus	369,908	741,450	(371,542)	<i>unfavourable</i>

**Note:** The unfavourable expenditure variance of \$983,681 is due to the inclusion of a provision for doubtful debts expense of \$1,060,186.

2. Statement of Financial Activity (**attached** at Appendix 3)

Closing Funding Surplus to 30 June 2017 is forecast at \$6K which is \$447K less than the Revised Budget Closing Surplus of \$509K.

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

	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	
• Year-to-date capital expenditure	1,364,904	1,376,691	11,787	<i>favourable</i>

4. Statement of Financial Position (**attached** at Appendix 5)

	<b>Year-to-date</b>	<b>Forecast</b>
• Current Assets of \$6,998,843 includes:		
○ Cash and Cash Equivalents	6,642,659	6,906,314
○ Trade and Other Receivables	354,224	306,830
○ Inventories	1,960	2,000
• Current Liabilities of \$342,249 includes:		
○ Trade and Other Payables	177,862	209,224
○ Provisions	164,387	180,211
• Working Capital (Current Assets <i>less</i> Current Liabilities) is	6,656,594	6,825,709
• Equity (Total Assets <i>less</i> Total Liabilities) is	10,963,658	11,121,063
• Reserves of \$5,975,256 includes:		
○ Plant and Infrastructure Reserve	340,287	506,800
○ Site Post Closure Rehabilitation Reserve	3,341,121	3,252,341
○ Waste Minimisation Reserve	720,654	824,511
○ Stanley Road Lined Cell Construction Reserve	539,885	541,356
○ Site Acquisition and Investigation Reserve	1,033,309	1,636,565

## 5. Investments

• Total of \$6,677,258 includes:	
○ Bankwest	1,258,582
○ Commonwealth Bank	524,968
○ National Australia Bank	4,893,708

**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)
- Statement of Financial Position (**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.

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
<b>Operating Income</b>	
<b>Fees and Charges</b>	
<b>Casual Tipping Fees</b> Favourable year-to-date budget variance mainly due from higher tonnages being received from outside the Bunbury-Harvey Region. This is due to the waste body preparation for capping as the Council has received an amended licence for the Stanley Road site on the 21/10/2016. An end of year forecast adjustment has been made.	\$375,353 20%
<b>Banksia Road Sale of Compost Revenue</b> Unfavourable year-to-date budget variance. It is anticipated that there will be higher monthly sales during June.	(\$34,354) (33%)
<b>Other Revenue</b>	
<b>Insurance Reimbursements</b> Favourable year-to-date budget variance due to the recoup of worker's compensation payments. An end of year forecast adjustment has been made.	\$23,697 74%
<b>Landfill Levy Income</b> Favourable year-to-date budget variance due to the increased tonnage and casual tipping fees being received from the Perth area. Please refer to the comments on Casual Tipping Fees above. An end of year forecast adjustment has been made.	\$308,750 48%
<b>Operating Expenditure</b>	
<b>Materials and Contracts</b>	
<b>Organics Expenditure</b> Favourable year-to-date budget variance due to savings in Plant and Equipment Maintenance compared to the previous financial year.	\$20,602 11%
<b>Site Rehabilitation expenditure</b> Favourable year-to-date budget variance due to later than expected building of Gabion Wall and purchase of new bulldozer for site rehabilitation. An end of year forecast adjustment has been made.	\$324,822 82%
<b>Land Site Investigation</b> Favourable year-to-date budget variance due to decision to relocate the Organics processing facility to Stanley Road. An end of year forecast adjustment has been made.	\$18,337 100%
<b>Green waste Recycling Operations</b> Unfavourable year-to-date budget variance due to the trial use of a green waste shredder. An end of year forecast adjustment has been made.	(\$18,985) (1,692%)
<b>Other Expenditure</b>	
<b>Landfill Levy Expenditure</b> Unfavourable year-to-date budget variance due to the increased tonnage being received from the Perth area. Please refer to the comments on Casual Tipping Fees above. An end of year forecast adjustment has been made. This expenditure is fully recouped from customers.	(\$272,716) (46%)
<b>Doubtful Debts Expense</b> Unfavourable year-to-date variance due to the Aurigen Group Pty Ltd debt. As per Council Resolution OC81023-1473 25 May 2017, a final demand letter was issued and payment by debtor was due 15 June 2017. A provision for this debt has been made due to lack of response by the debtor and no payments received to date. This overdue account will be lodged with Dun and Bradstreet on the 16 June 2017 should the balance not be cleared.	(1,060,186) (100%)









- **Stanley Road New Lined Cells**

Consultants are currently preparing and finalising plans and documentation for DER Approvals for new lined cells at Stanley Road. Detailed design works, engineering drawings and Environmental Management Plan are included in the scope of works.

#### Timeframe Schedule

Project	Source	Start	Finish
Detailed Design Works, Environmental Management Plan & DER Approval Application.	ASK/IOLAR	Current	1 <sup>st</sup> to 14 <sup>th</sup> -July-17
D.E.R Approvals	D.E.R	14 <sup>th</sup> -July- 17	31st-Aug- 17
New Lined Cell Construction (Cell 1)	In-House BHRC & Contractors	1 <sup>ST</sup> Nov- 17*	30 <sup>th</sup> Jun- 18*
Commence Filling New Cell	BHRC	1-Jul-20	1-Apr-26
New Lined Cell Construction (Cell 2)	In-House BHRC & Contractors	1-Jul-25	1-Apr-26

- **Pending Royalties for the Regions Funding \$3,000,000.**

Approvals for lined cells and the approval for landfilling between existing cells has been separated to both have their own application to the DER. The reason behind this is to not stall or slow down the approvals for lined cells due to possible lengthy discussions with DER on the approvals for landfilling between the existing cells.

The new cells will be designed to BEPM guidelines with a clay base, 2 meter separation of highest point groundwater level and Leak Detection System. Initial designs are indicating a 45 to 50 year worth of air space based on 73,000 to 80,000 tonne per annum throughput.

- **Stanley Road Report of a Known or Suspected Contaminated Site**

Form 1 (r.6) has been submitted to the DER on advice from groundwater monitoring contractors Hydro Solutions. A meeting with Hydro Solutions were schedule for 26 April 2017 to discuss the elevated Hydro Carbons detected and any further action required.

Letter received from the DER – **Attachment 4.**

Quotations being sourced from suitably qualified Auditors, once costs are known will be included in 2017/2018 final budget.

One of the two off site monitoring wells that had elevated Hydro Carbons detected has come back in the latest round of monitoring with normal levels of Hydro Carbons.

- **New Stanley Road Administration Complex**  
Currently put on hold until security of long term landfilling is finalised and future budget allocation.

Contact	Telephone	Mobile
<b>Stanley Road Facility Enquiries</b>	08 9797 2404	-
<b>Chief Executive Officer</b>	08 9711 1051	0407 990 659
<b>Administration</b>	08 9711 1051	-
<b>Supervisor</b>	-	0400 808 488
<b>Team Leader</b>	-	0400 779 444
<b>Workplace Safety Advisor / Compliance Officer</b>	-	0437 397 764
<b>Regional Waste Education Coordinator</b>	08 9711 1053	0408 175 444
<b>Regional Waste Education Officer</b>	08 9711 1053	0409 797 444

- **BHRC Standing Orders Local Law 2017**  
The Proposed Standing Orders have been advertised on BHRC website, in the state and local newspapers (2 March 2017) and have been advertised on public notice boards at both of the Member Councils Administration buildings and libraries. The Proposed Standing orders were advertised for six (6) weeks and then brought back to Council for adoption (27 April 2017).

The Standing Orders were then sent to the Government Gazette on Friday 5 May 2017 and were published in the Gazette on Wednesday 10 May 2017 and a copy was sent to the Minister for Local Government. Local public notice of the Gazetted Standing Orders had to be released and was published in the South Western Times Thursday 18 May 2017 and has also been placed on Public Noticeboards of both member councils. All required and supporting documents were then sent to the Joint Standing Committee for Delegated Legislation on Friday 19 May 2017 - **COMPLETE**

- **Regional Compost Facility Relocation to Stanley Road**  
GHD Time Schedules and Deliverables:

We are expecting to complete Stages 1 and 2 prior to the end of this FY (i.e. 30 June) and the entire project before the end of the calendar year (30 December) with approvals.

The following deliverables will be provided:

Stage 1 – Design basis report (draft and final)

Stage 2 – Conceptual design drawings (draft)

Stage 3 – Feasibility assessment report (draft and final)

Stage 4 - Various items (listed below):

**GHD | Proposal for Bunbury-Harvey Regional Council - | 13**

☐ Final concept drawings

☐ Development application report (draft and final)

☐ Operational plan (draft and final)

☐ Licence amendment application and supporting documentation (EIA) report (draft and final)

- **BHRC Establishment Agreement**

Revised BHRC Establishment Agreement has been drafted up and presented to Council Lawyers for legal comment. The Establishment Agreement will replace the existing BHRC Constitution Agreement once completed, adopted by Council and authorised by the Minister of the Department of Local Government.

Draft Establishment Agreement – **Attachment 5**.

**13. Confidential Reports**

**14. Notice of Motion**

**15. Next Meeting**

To be held on Thursday 27 July 2017 at the Shire of Harvey Council Chambers, Mulgara Street, Australind, commencing at 4:00pm.

**16. Close of Meeting**

The Presiding Member closed the meeting at \_\_\_\_\_.