



# Ordinary Council Meeting

## Minutes

24 August 2017

**Bunbury-Harvey Regional Council**

Lot 45 Stanley Road, Wellesley  
Western Australia

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

## 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:**

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**Cr Bill Adams**  
Deputy Chairman

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**Mr Tony Battersby**  
Chief Executive Officer

### Minutes 24 August 2017

*Council Members:*

Member Name	Representing
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):*

Member Name	Representing
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:*

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

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ATTACHMENTS:

- Attachment 1 - Capital Purchase - Evaluation Report Tender RFT1718-0001 Supply and Delivery of Slow Speed Shredder**
- Attachment 2 - Draft Policy - Related Party Disclosures**

## 1. Attendances

### *Council Members:*

Member Name	Representing
Cr Joel McGuinness	City of Bunbury (Proxy for Cr Jones)
Cr Murray Cook	City of Bunbury
Cr Jaysen Miguel	City of Bunbury
Cr Peter Monagle	Shire of Harvey
Cr Bill Adams	Shire of Harvey (Deputy Chairman)

### *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 Mal Osborne	Acting Chief Executive Officer (City of Bunbury)

### *Support Staff:*

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

### 1.1 Apologies Nil

### 1.2 Approved Leave of Absence

Cr Jones from 28 July 2017 until 21 October 2017.

## 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:** Cr Murray Cook      **Seconded:** Cr Jaysen Miguel

The minutes of the Ordinary meeting of Council held on 27 July 2017, are confirmed as a true and accurate record.

CARRIED  
5/0  
OC81023-1492

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 and Agenda Item 11.3 the Slow Speed Shredder.

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 July 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 July 2017

	ACTUAL	BUDGET	VARIANCE	
• Year-to-date income	317,724	339,839	(22,115)	<i>unfavourable</i>
• Year-to-date expenditure	271,916	294,528	22,612	<i>favourable</i>
• Year-to-date operating surplus	45,808	45,311	497	<i>favourable</i>

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

**Closing Funding Surplus to 30 June 2017 is forecast remains at \$195K as per the Budgeted Closing Surplus.**

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

	ACTUAL	BUDGET	VARIANCE
• Year-to-date capital expenditure	636	636	0

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

	Year-to-date	Forecast
• Current Assets of \$7,080,332 includes:		
○ Cash and Cash Equivalents	6,653,119	4,303,937
○ Trade and Other Receivables	426,101	300,000
○ Inventories	1,112	2,000
• Current Liabilities of \$356,117 includes:		
○ Trade and Other Payables	127,710	209,569
○ Provisions	228,407	179,882
• Working Capital (Current Assets <i>less</i> Current Liabilities) is	6,724,215	4,216,486
• Equity (Total Assets <i>less</i> Total Liabilities) is	10,938,700	13,312,914
• Reserves of \$6,027,793 includes:		
○ Plant and Infrastructure Reserve	505,354	833,289
○ Site Post Closure Rehabilitation Reserve	3,129,727	2,249,483
○ Waste Minimisation Reserve	819,518	354,385
○ Stanley Road Lined Cell Construction Reserve	539,885	555,018
○ Organics Processing Reserve	1,033,309	28,747

5. Investments

• Total of \$6,581,205 includes:	
○ Bankwest	1,160,468
○ Commonwealth Bank	526,511
○ National Australia Bank	4,894,226

### 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 27 July 2017, 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 2017/18.

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> Unfavourable year-to-date budget variance mainly due to seasonal effect of winter weather. However casual tipping fees are \$38k higher than the previous July, mainly due to higher tonnages being received from outside the Bunbury-Harvey Region.	(\$10,676) (8%)
<b>Operating Expenditure</b>	
<b>Employee Costs</b>	
Favourable year-to-date budget variance mainly due to the Site rehabilitation labour savings before major works begin in the next few months.	\$17,731 15%

Statement of Financial Activity	YTD Actual to YTD Budget Variance
<b>Operating Revenues by Nature and Type</b>	
<b>Fees and Charges</b> Unfavourable variance. See explanation above included in the Statement of Comprehensive Income variances.	(\$23,676) (9%)
<b>Operating Expenses by Nature and Type</b>	
<b>Employee Costs</b> Favourable variance. See explanation above included in the Statement of Comprehensive Income variances.	\$17,731 15%

**Council Decision:** Moved: **Cr Jaysen Miguel** Seconded: **Cr Murray Cook**

The Financial Statements for the period ending 31 July 2017 be received.

CARRIED/LOST  
5/0

**RESOLUTION: OC81023-1493**

## 11.2 Summary of Accounts paid for July 2017

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 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 July 2017.

### Background

As noted above



**Officer Comment**

The attachment details all payments made for July 2017.

**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 service and as to prices, computations and costings. Sufficient allocations are contained within the 2017/2018 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**

**Council Decision:**            **Moved:** Cr Murray Cook                            **Seconded:** Cr Jaysen Miguel

That the attached summary of accounts paid for July 2017 be received.

CARRIED/LOST  
5/0  
**RESOLUTION: OC81023-1481**

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**11.3 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 the Wellington Regional Compost Facility. The CEO is seeking Councils approval to purchase the following equipment: One (1) – New Slow Speed Shredder.

**Background**

The purchase of one (1) New Slow Speed Shredder is included in 2017/2018 Budget which was

adopted by Council at the Ordinary Meeting held 27 July 2017. The Slow Speed Shredder is a new capital item and will be utilised to recycle and waste minimisation purposes in the day to day operations at the Stanley Road Waste Facility and the Wellington Regional Compost Facility. A Terex slow speed shredder was hired for a two (2) week trial in 2016 which demonstrated the benefits to the BHRC operations increasing recycling and waste reduction.

#### **Officer Comment**

Funding for the Capital Equipment Purchase is included in the 2017/2018 Annual Budget. Tenders were sourced from an open tender process, advertised in Western Australian Wednesday 26 July 2017 and the South Western Times Thursday 27 July 2017 and advertised on the BHRC website from the Wednesday 26 July 2017.

Contract No. RFT1718-0001 for the supply of a one (1) Slow Speed Shredder. Tenders closed at 4.00pm on Thursday 10 August 2017 and were opened by the BHRC Chief Officer – Jai Pearce 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 Slow Speed Shredder:***

#### **Tender No. Company Address**

- 1) Lincom Pacific Equipment Pty Ltd
- 2) Focus Enviro
- 3) JDM Aust Pty Ltd
- 4) Ditch Witch Australia Pty Ltd
- 5) JRM Resources (CSS Equipment)
- 6) OPS Environmental Equipment Pty Ltd
- 7) Shred Tech Corporation

#### **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 Slow Speed Shredder has been included in the 2017/2018 annual budget allocation for Capital Equipment Purchase GL # 49002.215.15: 1 x New Slow Speed Shredder \$580,000.00.

#### **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 Murray Cook                            **Seconded:** Cr Jaysen Miguel

That Council accepts the tender submission from Focus Enviro for One (1) New Edge Slayer XL Slow Speed Shredder for the **Total tender price of \$566,000.00 + GST** (this price includes optional extras Plain Breaker Bar and Extra Fine Breaker Bar), with the purchase subject to the successful two (2) week trial of the Edge Slayer XL Slow Speed Shredder that is offered in the tender at the Stanley Road Waste Management Facility. In the trial the Slow Speed Shredder must be able to successfully shred and process all waste materials detailed in the tender, including mattresses.

CARRIED/LOST  
5/0

**RESOLUTION: OC81023-1495**

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### **11.4 DRAFT Policy – Related Party Disclosures**

Reporting Officer:            Tony Battersby, Chief Executive Officer  
File Number:                    -  
Attachments:                    **Attachment 2:** Draft Related Party Disclosures Policy

#### **Précis**

Under the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*, all local governments in Western Australia must produce an Annual Financial Statement that complies with the Australian Accounting Standards.

The Australian Accounting Standards Board (AASB) has determined that from 1 July 2016 *AASB 124 Related Party Disclosures* will apply to government identities including local government.

Bunbury-Harvey Regional Council (BHRC) is therefore required to disclose Related Party Relationships and Key Management Personnel (KMP) compensation in its Annual Financial Returns.

The primary objective of AASB124 is to ensure that an entity's financial statements contain disclosures necessary to draw attention to the possibility that its financial position and potential profit or loss may have been affected by the existence of related parties and their transactions.

#### **Background**

The BHRC has not previously adopted a Related Party Disclosure Policy.

#### **Consultation**

All Elected Members and relevant staff were invited to attend a seminar on this matter, hosted by Moore Stephens on 21 July 2017.

#### **Financial Implications**

Nil

#### **Statutory Environment**

- Australian Accounting Standards Board Accounting Standards AASB 124
- Local Government Act 1995

- Local Government (Financial Management) Regulations 1996
- Local Government (Rules of Conduct) Regulations 2007
- Public Interest Disclosure Act 2003
- Corruption and Crime Commission Act 2003
- Statutory Corporations (Liability of Directors) Act 1996

**Strategic Implications**

Nil

**Policy Implication**

Discussed in the body of the Report.

**Voting Requirement**

Simple Majority

**Officer Recommendation**

**Council Decision:**            **Moved:** Cr Jaysen Miguel            **Seconded:** Cr Murray Cook

That Council adopt the Related Party Disclosures Policy as detailed in the attachment.

CARRIED/LOST

5/0

**RESOLUTION: OC81023-1496**

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**12. General Business**

**12.1 Operational Update – August 2017**

- **Outstanding Debt “Aurigen Pty Ltd”**  
MC Milton Graham Lawyers have commenced with Legal proceedings with debt recovery against Aurigen Group Ltd.
- **Request for BHRC Workshop**  
A Workshop was held on Wednesday 16 November 2016 and was facilitated by Ian Watkins from IW Projects.

“Letters were sent” to the City of Bunbury and the Shire of Harvey on Friday 25 November 2016 requesting their commitment to waste disposal at Stanley Road Waste Management Facility on a long term basis, their preferred model of future Governance for the Regional Council and ownership options for Lot 45 Stanley Road Wellesley.

No further correspondence has been received from either Member Council.

- **Stanley Road Rehabilitation**  
Scope of works and specification documentation is also being completed for quotation gas monitoring wells as per DER licence. Earthworks and final fill is being completed on phase 1 with in-house work force.

Tender for construction of gabion wall has been put on hold while work on re-design is being completed to accommodate the access of trucks to the rear of site parallel to the gabion wall and the waste transfer station. The re-design works will eliminate the future need to relocate the weighbridge and gate house.

- **Stanley Road New Lined Cells**

Consultants are currently preparing and finalising plans and documentation for DWER 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 & DWER Approval Application.	ASK/IOLAR	Current	1-14 July 2017
DWER Approvals	DWER	14 July 2017	31 Aug 2017
New Lined Cell Construction (Cell 1)	In-House BHRC & Contractors	1 Nov 2017*	30 Jun 2018*
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 \$3,100,000.**

The application for approvals for lined cells at Stanley Road have been completed and submitted to the DWER, all associated design and required plans were completed as part of the submission.

A Businesses Case for lined cells at the Stanley Road Waste Management facility has been completed and submitted as part of the requirements for the Royalties for the Region Funding application.

Application to the Department of Water and Environment Regulations on approvals to clear native vegetation for the first two proposed new lined cells completed and submitted. The proposal is to offset the required clearing with an on-site covenant of existing native bushland subject to Member Council approval and DWER approval.

Awaiting response from the Department of Water and Environmental Regulations on lined cells approval and native vegetation clearing.

- **Stanley Road Unlined Cells**

The application for approvals to landfill between the valley of existing landfill cells at Stanley Road has been completed and submitted to the DWER with all associated plans and design works.

- **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.

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.

KIRSA Environmental has been appointed the preferred supplier to conduct the Contaminated Site Audit, the DWER have been notified of this appointment. Initial meeting with KIRSA Environmental is scheduled for Wednesday 26 July 2017.

Meeting with KIRSA Environmental was conducted with a scope of works and documentation required by KIRSA Environment agreed upon.

Initial works of all monitoring bores being resurveyed has been completed, the survey results should give a clear indication of groundwater flow in the upper and lower aquifer on the Stanley Road site.

- **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) **Completed**

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.

Letter sent to both Member Councils regarding request for changes to current BHRC Establishment Agreement as discussed at 22 June 2017 Ordinary Council Meeting .

- **Tender for Compost Facility Frontend Loader**

Tender for the supply of replacement frontend loader at the Wellington Regional Compost Facility has been advertised. The sale or trade of the existing New Holland Telehandler loader has also been advertised on a separate tender document, tenders close 7 September 2017.

### 13. **Confidential Reports**

Nil

**14. Notice of Motion**

Nil

**15. Next Meeting**

To be held on Thursday 21 September 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 **5:02pm**.

**\* Cr Murray Cook requested that Tony (CEO) write to the City of Busselton to notify them that BHRC are happy to take in their mattresses.**