

# Bunbury - Harvey Regional Council

## Council Agenda



For the Ordinary Council Meeting of

**25<sup>th</sup> June 2015**

**BUNBURY-HARVEY REGIONAL COUNCIL  
AGENDA FOR THE ORDINARY MEETING OF COUNCIL TO BE HELD ON 25<sup>TH</sup> JUNE 2015**

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**BUNBURY-HARVEY REGIONAL COUNCIL**

**MEETING NOTICE AND AGENDA – 25<sup>TH</sup> JUNE 2015**

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**TO: THE CHAIRMAN AND COUNCILLORS**

**NOTICE** is hereby given that an Ordinary meeting of the Bunbury-Harvey Regional Council will be held at **City of Bunbury Admin Building, Ground Floor – Ocean Room, 4 Stephen Street, Bunbury, commencing at 4:00pm.**

Your attendance is respectfully requested.

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**TONY BATTERSBY**  
CHIEF EXECUTIVE OFFICER

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**AGENDA**

**1. Attendance, Apologies & Leave of Absence**

<b>Name</b>	<b>Attended</b>	<b>Apologies</b>	<b>Leave of Absence</b>
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 28<sup>th</sup> May 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 31 May 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 31 May 2015

	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	
Year-to-date income	4,061,069	4,506,924	(445,855)	<i>unfavourable</i>
Year-to-date expenditure	3,228,916	3,220,793	(8,123)	<i>unfavourable</i>
Year-to-date operating surplus	832,153	1,286,131	(453,978)	<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 \$7,249,901 includes:	<b>Actual</b>	<b>Forecast</b>	
Cash and Cash Equivalents	6,950,239	7,018,050	
Trade and Other Receivables	297,840	302,732	
Inventories	1,822	1,822	

Current Liabilities of \$240,843 includes:			
Trade and Other Payables	109,921	180,056	
Provisions	130,922	151,259	

Working Capital (Current Assets *less* Current Liabilities) is 7,009,058 6,991,289

Equity (Total Assets *less* Total Liabilities) is 9,830,877 9,812,532

Reserves of \$4,748,676 include:

Plant and Infrastructure Reserve	433,954	356,112
Site Post Closure Rehabilitation Reserve	3,280,464	3,029,018
Waste Minimisation Reserve	529,847	609,327
Banksia Road Construction Reserve	504,411	507,921

4. Investments

Total of \$6,814,235 includes:

ANZ Banking Group	2,932,153
Commonwealth Bank	657,005
National Australia Bank	3,121,256
Westpac	103,821

**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
<b>Operating Income</b>	
<b>Fees and Charges</b>	
<b>Casual Tipping Fees.</b> Casual tipping is less than expected due to the fall off in waste from Perth area with the diversion of waste to Perth Waste's own new landfill.	\$ (190,420) 11%
<b>Sale of scrap Metal.</b> The forecast has been reduced by \$30,000 due to reduced market prices.	\$ (45,051) 38%
<b>Banksia Road Compost Sales.</b> The forecast has been reduced by \$100,000. It was expected that one customer would take all of the Banksia Road stockpile but this did not eventuate. The CEO is researching the market for new corporate customers.	\$ (99,159) (72)%

<b>Interest Earnings</b>	
Interest earned is under revised budget after the reversal of overestimated accruals	\$(37,828) (15)%
<b>Other Revenue</b>	
<b>Landfill Levy Income.</b> This is 21% 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.	\$(110,360) (21)%
<b>Operating Expenditure</b>	
<b>Depreciation Expense</b> A recalculation to the end of the financial year has indicated that depreciation is higher than budgeted.	(56,494) (15)%
<b>Other Expenditure</b>	
<b>Landfill Levy Expense</b> 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%.	\$100,439 21%
<b>Statement of Financial Activity</b>	<b>YTD Actual to YTD Budget Variance</b>
<b>Interest Earnings</b> Interest earned is under revised budget after the reversal of overestimated accruals.	\$(37,828) (15)%
<b>Other Revenue</b> This is 15% below budget year-to date which is mainly due to lower tonnages being received from Perth metro area so far this year because Perth waste has been using their own new landfill.	\$(91,730) (15)%
<b>Depreciation Expense</b> A recalculation to the end of the financial year has indicated that depreciation is higher than budgeted.	(56,494) (15)%
<b>Other Expenditure</b> includes \$100,439 saving in landfill levy expense. Note the landfill levy expense is fully recouped by on-charging to customers plus a margin of 8.7%.	\$ 100,237 15%

**Executive Recommendation**

The Financial Statements for the period ending 31 May 2015 be received.

**11.2 Payments of Accounts for May 2015**

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

**Background**

As noted above.

**Officer Comment**

The attachment details all payments made for May 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 May 2015 be received.

11.3 DRAFT Meeting Schedule 2015/2016

**Reporting Officer:**

*Tony Battersby, Chief Executive Officer*

**File Number:**

**Attachment (s):**

**Précis**

Regulation twelve (12) of the Local Government (Administration) Regulation 1996 requires that once a year a local government is to give local public notice of Ordinary meetings proposed for the next twelve (12) months. This item is presented to Council to consider a schedule of meeting for the next twelve (12) months to enable the Chief Executive Officer (CEO) to give local public notice of the intended meetings.

**Background**

Regulation twelve (12) of the Local Government (Administration) Regulations 1996 requires that once a year a local government is to give local public notice of Ordinary Council meeting (and Committee meeting that are required to be open to the public) proposed for the next twelve (12) months.

**Officer Comment**

The schedule has allowed for the December 2015 Ordinary Council meeting to be held on the third Thursday of the month at 11:00am, the earlier date and time is to accommodate a Council Christmas lunch following the meeting. The schedule also allow for one (1) Ordinary Council meeting to be held at the Stanley Road Waste Management Facility at which meetings a site tour of the facilities will be conducted.



### Consultation

Local Public Notice of meeting is required.

### Financial Implications

Advertising costs are provided for in the 2015/2016 budget.

### Statutory Environment

Regulation twelve (12) of the Local Government (Administration) Regulations 1996 requires that:

1. At least once each year a local government is to give local public notice of the dates on which, the time and place at which:
  - The Ordinary Council meetings; and
  - The Committee Meetings that are required under the Act to be open to members of the public are to be held in the next twelve (12) months.
2. A local government is to give local public notice of any change to the date, time or place of a meeting referred to in sub regulation one (1).
3. Subject to sub regulation four (4), if a special meeting of a council is to be open to members of the public then the local government is to give local public notice of the date, time, place and purpose of the special meeting.
4. Subject to sub regulation four (4), if a special meeting of a council is to be open to members of the public but, in the Chief Executive Officer's opinion, it is not practicable to give local public notice of the matters referred to in sub regulation three (3), then the local government is to give public notice of the date, time, place and purpose of the special meeting in the manner and to the extent that, in the Chief Executive Officer's opinion, is practicable.

Day	Date	Time	Venue
Thursday	27 August 2015	4:00pm	Shire of Harvey office, Australind
Thursday	24 September 2015	4:00pm	Shire of Harvey office, Australind
Thursday	29 October 2015	4:00pm	Shire of Harvey office, Australind
Thursday	26 November 2015	4:00pm	Shire of Harvey office, Australind
Thursday	17 December 2015	11:00am	Shire of Harvey office, Australind
<b>JANUARY 2016 (COUNCIL RECESS)</b>			
Thursday	25 February 2016	4:00pm	Shire of Harvey office, Australind
Thursday	31 March 2016	4:00pm	Shire of Harvey office, Australind
Thursday	28 April 2016	3:30pm	Stanley Road Waste Facility site office, Australind
Thursday	26 May 2016	4:00pm	Shire of Harvey office, Australind
Thursday	23 June 2016	4:00pm	Shire of Harvey office, Australind
Thursday	28 July 2016	4:00pm	Shire of Harvey office, Australind

**Strategic Implications**

Nil

**Policy Implications**

Nil

**Voting Requirement**

Simple Majority

**Officer Recommendations**

That Council request the Chief Executive Officer to give Local Public Notice of the following meeting schedule:

Day	Date	Time	Venue
Thursday	27 August 2015	4:00pm	Shire of Harvey office, Australind
Thursday	24 September 2015	4:00pm	Shire of Harvey office, Australind
Thursday	29 October 2015	4:00pm	Shire of Harvey office, Australind
Thursday	26 November 2015	4:00pm	Shire of Harvey office, Australind
Thursday	17 December 2015	11:00am	Shire of Harvey office, Australind
<b><i>JANUARY 2016 (COUNCIL RECESS)</i></b>			
Thursday	25 February 2016	4:00pm	Shire of Harvey office, Australind
Thursday	31 March 2016	4:00pm	Shire of Harvey office, Australind
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Thursday	28 July 2016	4:00pm	Shire of Harvey office, Australind

**12. General Business**

**12.1 Operational Update for June 2015**

**Reporting Officer:** Tony Battersby, Chief Executive Officer

**File Number:** -

- **BHRC 2015/2016 Draft Budget**

Draft Budget Attached

- **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.
2. Application of amendment to current licence put through to the DER on expansion of existing footprint along the southern side of cell1- 2 and the valley between cell 1 – 2 and cell 3 to be filled with waste to allow for capping. These two amendments would allow for a further three years air space to be landfilled which equates to four years with the existing air space on cell 3 - **Awaiting on formal response from DER.**

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

Round two of funding applications open on 10<sup>th</sup> 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.

Amended investment agreement supplied by the Waste Authority with time frames adjusted, all documentation signed and sent back.

Talis Consultancy representatives conducted a presentation to the Southwest Group of Councils on the draft report on Regional Waste. Report will be finalised in next three weeks and made available to all parties.

- **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.

Have requested a further meeting with Worsley to follow up any findings and outcomes from previous meeting.

- **Banksia Road Compost Facility – Odour Complaint**

Site meeting at Banksia Road Compost Facility was held between the City of Bunbury CEO Andrew Brien, Shire of Harvey CEO Michael Parker, BHRC Tech Officer Jai Pearce and BHRC CEO Tony Battersby to discuss and determine whether an odour problem did exist at the site.

It was established that any odours being emitted from the site would not be considered to be nuisance or offensive to any neighbouring properties and any odour that could be detected at close proximity to the compost stockpiles were of a natural earthy odour.

A meeting was requested with the Shire of Dardanup CEO Mark Chester to discuss the Breach of Covenant and Default by Lessee of Lease between the Shire of Dardanup and Bunbury Harvey Regional Council (odours being emitted from the Bunbury Harvey Organics Waste Facility located on Lot 1. Banksia Road Dardanup are deemed to be a “nuisance” pursuant to Clause 5.9.1 of the lease).

The meeting was held on Wednesday 3<sup>rd</sup> June 2015 at the City of Bunbury Administration Building the attendees were Shire of Dardanup CEO Mark Chester, Shire of Dardanup Officers Luke Botica, Robert Quinn, Ashley Bean, City of Bunbury CEO Andrew Brien, Shire of Harvey CEO Michael Parker and BHRC CEO Tony Battersby.

Discussions were held on procedures the Shire of Dardanup had taken to get to the outcome of taking this matter to Council and not dealing with it through the DER licence. The Shire of Dardanup CEO informed the group that it was chosen to take this course of action due to the facility being compliant with the licence conditions and to utilise the lease agreement while still with them to enforce the matter.

It was agreed by all parties that operational changes implement at the facility had produced a positive effect with eliminating the offensive odour. Additional operational changes and monitoring was agreed upon and are contained with-in the **attached letter**.

**Confidential Report from Intuit Earth - Attached**

- **Workforce/Management Plan of BHRC**  
Workforce Plan – **Attached**
- **Skip Bin Waste Separation - Pilot**  
To be considered by Council in 2015/2016 draft budget.
- **Wellington Group Regional Waste Education Program**  
Current memorandum expires on 30<sup>th</sup> 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.

New engine to be fitted this week with additional maintenance work completed while Bomag in operational, new compactor lugs put on wheels.

